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# The Department of State

Vol. XVI, No. 405

April 6, 1947

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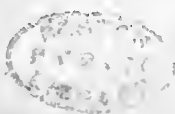
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# *The Department of State* bulletin

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## Moscow Meeting of the Council of Foreign Ministers:

### Procedure for Preparation of German Peace Treaty

#### STATEMENTS BY THE SECRETARY OF STATE

##### U. S. Position on Peace Conference<sup>1</sup>

The American Deputy refrained from taking a position on the peace conference. He did so not because the United States is not wholeheartedly in favor of a peace conference, but because we thought this matter required the attention of the Ministers.

It is the view of the United States that this Council with China as a member should invite all states at war with Germany to a peace conference to consider the draft of the peace settlement as soon as its preparation is sufficiently advanced. It is our view that all these states should be accorded full and equal rights as members of the conference. At the close of the conference the four members of the Council of Foreign Ministers which prepared the preliminary text of the peace settlement should, we think, draft the final text of the settlement on the basis of the recommendations of the peace conference which are supported by a two-thirds vote of those present and voting at the conference, taking into consideration the other recommendations which are supported by a majority of those present and voting at the conference. The final text of the peace settlement when completed should be submitted for signature by all the states at war with Germany. Responsible representatives of Germany should be given the opportunity to present their views to the conference. Since, however, the Allies required the unconditional surrender of Germany, particular officials should not, in our opinion, be obliged to take upon themselves the burden of signing the settlement or voting for its ratification.

We have suggested that the Allies should require the German Constitution to contain a clause which clearly provides that all powers thereunder shall be exercised subject to and in accordance

with the peace settlement that may be agreed upon by and between the Allies. If our view prevails, when the Germans accept the Constitution, they will be obliged thereby to accept the peace settlement. Then the German people, and not particular officials or parties, become responsible for the acceptance of the Constitution and the peace settlement or statute.

##### Association of Allies With Council of Foreign Ministers<sup>2</sup>

While for practical reasons it may be impracticable to grant to all the Allies the same degree of participation at every stage, the United States hopes that all states at war, large and small, will be granted some degree of participation at all stages.

The United States supports the view that the cooperation of the Allies in the making of the peace should not be less extensive than their cooperation in the war. No state that contributed to victory should be denied a voice in the peace. For that reason we welcomed the French proposal for the setting up of an information and consultation conference to provide the Allied states with the current documentation of the work of the Council, the Deputies, and the committees, and to afford them the opportunity to comment and offer suggestions on the work of the settlement as it progresses.

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<sup>1</sup> Made on Mar. 25, 1947, and released to the press in Moscow on the same date, and in Washington on Mar. 26.

<sup>2</sup> Made on Mar. 25, 1947, during discussion of how best to associate with the Council of Foreign Ministers, in working out a just and lasting German settlement, the Allies who joined in the common struggle against Germany; released to the press in Moscow on Mar. 25, and in Washington on Mar. 26.

There would be no voting in this body: it would provide a channel to keep the Allied states informed of the work of the Council and the Council informed of the views of the Allied states. In view of the character of the proposed information and consultation conference, we see no reason why it should not include all the states at war with Germany, and we so urge. A number of states which declared war against Germany did not contribute armed forces because they were told that they could contribute more effectively in other ways. We do not believe that they should be penalized for taking our advice.

#### **Support of Committees and Conference for Allied States<sup>3</sup>**

I should like to refer at this time to what I said yesterday—that the “Allied states” should specifically include all states at war with Germany. The United States has consistently supported the participation in the making of peace with Germany by those states which helped win the war. We want that participation to be as broad and dignified as circumstances permit.

In accordance with our belief we agree to the organization of four permanent committees with subcommittees as well as to an information and consultation conference. We insist that these Allied states who have participated in the winning of the war, whether they be large or small, should share at least in some degree the honor as well as the responsibility for this work. I stress the word *responsibility* because I find it of importance that states associated with the United States in the winning of the war should shoulder responsibility for the maintenance of the peace.

I am naturally concerned that our allies in the Western Hemisphere should be recognized. They cooperated loyally and often adapted themselves to our views as to the manner of their participation in the waging of the war. Just as most men prefer active combat posts in wartime, Mexico, for example, urgently desired to send an expeditionary force. We recommended against it for logistical reasons—shortage of shipping, supplies, and so forth. But Mexico, as did others, made a substantial contribution in other ways, particularly in the economic field and in manpower. Mexico, there-

fore, should have a dignified place in the making of the peace. Other American republics should, we feel be represented on the proposed information and consultation conference. The countries whose armed forces fought with us certainly acquired, by expenditure of men and resources, the right to participate in the organizing of the peace at all stages. The example of Canada, however, would emphasize what I mean. Canada had over one million in her armed forces of which 400,000 were under arms as early as 1941. Canada suffered over 100,000 casualties, provided naval power for the North Atlantic, was fourth among the nations in air power and expended about 19 billion dollars for war purposes to say nothing of the value of vital metals and other supplies. Facts of this kind cannot be ignored in the selection of our associates who will work with us in preparing the peace.

I recommend that my colleagues instruct their deputies to agree to our proposals for the membership of all states at war in the information and consultation conference, and for the participation of a convenient number of other Allied states in the permanent committees, and the principal subcommittees. In that way we shall recognize the wartime contribution of our allies and obtain the benefit of their cooperation in the peace.

#### **Statement on Albania<sup>4</sup>**

The Soviet Delegation has proposed that Albania not only be treated as an Allied state but be grouped with those states which actively participated with their armed forces in the war or were invaded. The United States Delegation does not agree that Albania should be so treated or grouped. Albania as a state was not at war with Germany and did not declare war on Germany. Albanian troops took an active part allied to Germany in the treacherous attack on their valiant neighbor, Greece. The regime now ruling Albania has declined to recognize that country's international obligations. Albania was not invited to the Paris Conference as an Allied or associated power. The United Nations have not yet agreed that Albania has qualified for membership with them.

Albania in our opinion has no claim to a privileged position over other states and people who have fought against the Germans. Other states have contributed more to the defeat of the Germans.

<sup>3</sup> Made on Mar. 26, 1947, and released to the press in Moscow on the same date and in Washington on Mar. 27.

<sup>4</sup> Made on Mar. 25, 1947, and released to the press in Moscow on that date and in Washington on Mar. 26.

The United States Delegation therefore sees no acceptable basis for inviting Albania to participate in the preparation of the peace settlement.

#### **Position on Yugoslav Representatives <sup>5</sup>**

The United States Delegation does not believe it is necessary to invite the Yugoslav Government to send representatives to present their views concerning the report of the Commission on the financial situation in the free territory of Trieste. If Yugoslavia should be given a hearing, obviously the Italian Government should also be invited to present its view. I am informed that in accordance with its terms of reference which provided for consultation with the Yugoslav and Italian authorities in Trieste, the Commission during its work there in January and February was in constant consultation with these authorities. It is

therefore to be assumed that both the Italian and Yugoslav Governments are fully informed concerning the work of this Commission.

The report is of a technical nature and deals with the financial assistance which the free territory of Trieste, when established, will require. It is for these reasons the United States Delegation does not see the necessity for inviting representatives of Yugoslavia to come to Moscow to present their views on this question to the Council of Foreign Ministers. The purpose of the Trieste Commission was by the terms of reference largely to save the Council of Foreign Ministers the necessity and time-consuming procedure for ascertaining the facts, and the views of the interested governments. If the representatives of these governments are invited here we, in effect, will be redoing the work of the Commission.

## **Reparations Received by the United States**

### **SUMMARY STATEMENT BY THE U.S. DELEGATION <sup>6</sup>**

The United States has thus far received as reparations from Germany:

Industrial capital equipment: (A) Through IARA, 66,666; (B) directly, less than 10,000,000; ships: 5,000,000; German external assets: 150-250,000,000; current production: none; gold: none; total: less than 275,000,000.

[The tabulation is in dollars.]

*A. Industrial capital equipment.* As of the end of February 1947, the Inter-Allied Reparation Agency has been allocated slightly more than Reichsmarks 300 million in industrial capital equipment consisting of 71 plants on advance reparation account, the general-purpose equipment from 51 war plants and the equipment included in French and British emergency removal programs. Of this amount IARA has completed the allocation of Reichsmarks 62 million. Of the Reichsmarks 62 million allocated, the United States has received approximately Reichsmarks 200,000.

NOTE: For the purpose of this tabulation the Reichsmark has been valued at 3 to the dollar.

The United States has made certain removals of industrial capital equipment from Germany which have not taken place through the Inter-Allied Reparation Agency. These removals were ordered to further our war effort prior to the Japanese surrender. Evaluation of the removals conducted by the United States is now being compiled. The

value of all these removals is not large and is not expected to exceed \$10,000,000. When the evaluation has been completed it will be reported to the Council of Foreign Ministers and the Inter-Allied Reparation Agency.

*B. Ships.* The Inter-Allied Reparation Agency has allocated practically all ships assigned to it by the tripartite Merchant Marine Commission. The value of these ships has been placed at Reichsmarks 220 million. The United States has received ships valued at Reichsmarks 15.5 million.

*C. German external assets.* External assets to be received from Germany as reparation by all members of the Inter-Allied Reparation Agency is expected to amount to less than \$600 million. No final figures can be given because of liquidation still in progress. The United States will receive between \$150 and \$250 million. The amount to be realized by the United States cannot be stated with greater accuracy at this time, because of doubt as to whether one substantial asset is in fact German or of other nationality. This doubt is being resolved in the courts.

<sup>5</sup> Made on Mar. 27, 1947, and released to the press in Moscow on the same date and in Washington on Mar. 28.

<sup>6</sup> Paper circulated within the Council of Foreign Ministers in Moscow on Mar. 25, 1947, and released to the press in Moscow on the same date and in Washington on Mar. 26.

# INTERNATIONAL ORGANIZATIONS AND CONFERENCES

## *Calendar of Meetings*<sup>1</sup>

<b>In Session as of March 30, 1947</b>		
Far Eastern Commission . . . . .	Washington . . . . .	<b>1946</b> Feb. 26
United Nations:		
Security Council . . . . .	Lake Success . . . . .	Mar. 25
Military Staff Committee . . . . .	Lake Success . . . . .	Mar. 25
Commission on Atomic Energy . . . . .	Lake Success . . . . .	June 14
Telecommunications Advisory Committee . . . . .	Lake Success . . . . .	Nov. 10
		<b>1947</b>
Economic and Social Council: Fourth Session . . . . .	Lake Success . . . . .	Feb. 28-Mar. 29
Commission on Conventional Armaments . . . . .	Lake Success . . . . .	Mar. 24
Trusteeship Council . . . . .	Lake Success . . . . .	Mar. 26
German External Property Negotiations (Safehaven):		<b>1946</b>
With Portugal . . . . .	Lisbon . . . . .	Sept. 3
With Spain . . . . .	Madrid . . . . .	Nov. 12
Inter-Allied Trade Board for Japan . . . . .	Washington . . . . .	Oct. 24
PICAO:		<b>1947</b>
Interim Council . . . . .	Montreal . . . . .	Jan. 7-Apr. 2
Air Transport Committee: Sixth Session . . . . .	Montreal . . . . .	Jan. 13-Feb. 13
Airworthiness Division . . . . .	Montreal . . . . .	Feb. 20-Mar. 15
Airline Operating Practices Division . . . . .	Montreal . . . . .	Feb. 25-Mar. 30
Inter-Allied Reparation Agency (IARA): Meeting on Con- flicting Custodial Claims.	Brussels . . . . .	Jan. 29-. Recessed Mar. 22; will reconvene in May.
International Court of Justice . . . . .	The Hague . . . . .	Feb. 10
Council of Foreign Ministers . . . . .	Moscow . . . . .	Mar. 10
International Wheat Conference . . . . .	London . . . . .	Mar. 18-. Temporarily adjourned; will recon- vene Apr. 14.
<b>Scheduled March-May 1947</b>		
World Health Organization (WHO): Third Session of Inter- im Commission.	Geneva . . . . .	Mar. 31
International Wool Study Group . . . . .	London . . . . .	Mar. 31-Apr. 3
Interparliamentary Union: 36th Plenary Session . . . . .	Cairo . . . . .	Apr. 7
UNESCO Executive Board . . . . .	Paris . . . . .	Apr. 9
International Conference on Trade and Employment: Second Meeting of Preparatory Committee.	Geneva . . . . .	Apr. 10
International Red Cross Committee . . . . .	Geneva . . . . .	Apr. 14-26
United Nations:		
Meeting of Experts on Passport and Frontier Formali- ties.	Geneva . . . . .	Apr. 14
Permanent Central Opium Board . . . . .	Geneva . . . . .	Apr. 14
Committee on Progressive Development and Codifica- tion of International Law.	Lake Success . . . . .	May 1 <sup>2</sup>
ECOSOC:		
Subcommission on Statistical Sampling . . . . .	Lake Success . . . . .	Apr. 14 <sup>2</sup>

<sup>1</sup> Prepared in the Division of International Conferences, Department of State.

<sup>2</sup> Tentative.



## Calendar of Meetings—Continued

<b>ECOSOC—Continued</b>		
Subcommission on Protection of Minorities and Prevention of Discrimination.	Lake Success . . . . .	Apr. 21 <sup>2</sup>
Fiscal Commission . . . . .	Lake Success . . . . .	Apr. 28 <sup>2</sup>
Subcommission on Freedom of Information . . . . .	Lake Success . . . . .	May 5 <sup>2</sup>
Social Commission . . . . .	Lake Success . . . . .	May 26 <sup>2</sup>
<b>ICAO (International Civil Aviation Organization):</b>		
European-Mediterranean Special Air Traffic Control Conference.	Paris . . . . .	Apr. 15
Interim Council . . . . .	Montreal . . . . .	Apr. 29
First Meeting of General Assembly . . . . .	Montreal . . . . .	May 6
International Tin Study Group: First Meeting . . . . .	Brussels . . . . .	Apr. 15–18
European Central Inland Transport Organization (ECITO): Seventh Session of the Council.	Paris . . . . .	Apr. 17 <sup>2</sup>
Fifth International Hydrographic Conference . . . . .	Monaco . . . . .	Apr. 22
<b>ILO:</b>		
Industrial Committee on Coal Mining . . . . .	Geneva . . . . .	Apr. 22
Industrial Committee on Inland Transport . . . . .	Geneva . . . . .	May 6
American International Institute for the Protection of Childhood: Meeting of International Council.	Montevideo . . . . .	Apr. 25
International Meeting of Marine Radio Aids to Navigation.	New York and New London . .	Apr. 28–May 10
<b>FAO:</b>		
International Timber Conference . . . . .	Marianske-Lazne, Czechoslovakia.	Apr. 28–May 10
Rice Study Group . . . . .	Southeast Asia . . . . .	May
International Refugee Organization (IRO): Second Part of First Session of Preparatory Commission.	Geneva . . . . .	May 1
Congress of the Universal Postal Union . . . . .	Paris . . . . .	May 6
International Radio Conference . . . . .	Atlantic City . . . . .	May 15
International Technical Committee of Aerial Legal Experts (CITEJA).	Montreal . . . . .	May
International Emergency Food Council (IEFC): Fourth Meeting.	Washington . . . . .	May

## Activities and Developments »

### ALLIED TRADE REPRESENTATIVES<sup>1</sup> IN JAPAN<sup>1</sup>

1. The Far Eastern Commission establishes as a policy decision the following status for the Allied trade representatives in Japan.

2. The trade representatives shall represent their governments and for the time being exercise the following functions:

(a) To know what items are desired by their

<sup>1</sup> Policy decision approved by the Far Eastern Commission on Mar. 13, 1947, and released to the press Mar. 24. A directive based upon this decision has been forwarded to the Supreme Commander for the Allied Powers for implementation.

governments for import from Japan and for export to Japan.

(b) To keep the Supreme Commander for the Allied Powers currently informed as to progress of import and export programs, and items requested or suggested by their governments.

(c) To accept for their governments terms of sale, with Japanese selling agencies, agreed to by the Supreme Commander for the Allied Powers.

(d) To accept delivery of Japanese exports f.o.b. Japanese port, and to handle details of ocean shipping and insurance.

(e) To deliver to the Supreme Commander for the Allied Powers all documents from their governments covering imports and to facilitate such importation and delivery.

(f) To supply the Supreme Commander for the Allied Powers with all financial data such as costs, sale prices, and claims, and any necessary documents affecting imports from and exports to their governments.

(g) To maintain an operating relationship with military or diplomatic liaison missions which their governments have established in Japan, in order to coordinate action and take care of routine matters such as communication.

(h) The trade representatives may use secret code for communication with their governments through the Missions of their governments in Japan.

3. The functions of the Allied trade representatives defined in this interim document may subsequently be reviewed by the Far Eastern Commission in the light of experience.

#### REVIEW OF NEW JAPANESE CONSTITUTION<sup>1</sup>

1. The new constitution, which will in due season after promulgation become the legal successor of the present constitution with such changes as have been made or may be made as a result of consideration and policy decision of the Far Eastern

<sup>1</sup>Policy decision approved by the Far Eastern Commission on Oct. 17, 1946, and released to the press Mar. 27, 1947. A directive based upon this decision has been forwarded to the Supreme Commander for the Allied Powers for implementation.

<sup>2</sup>For article on "American Wool Import Policy" by James Gilbert Evans, see BULLETIN of Nov. 3, 1946, p. 783. For "Statement by Heads of Delegations to International Wool Talks", see BULLETIN of Nov. 24, 1946, p. 942. For "Report on International Wool Talks" by Clarence W. Nichols, see BULLETIN of Dec. 29, 1946, p. 1166.

Commission, shall be subject to further review by the Diet and the Far Eastern Commission in terms of the following paragraph.

2. In order that the Japanese people may have an opportunity, after the new constitution goes into effect, to reconsider it in the light of the experience of its working, and in order that the Far Eastern Commission may satisfy itself that the constitution fulfills the terms of the Potsdam Declaration and other controlling documents, the Commission decides as a matter of policy that, not sooner than one year and not later than two years after it goes into effect, the situation with respect to the new constitution should be reviewed by the Diet. Without prejudice to the continuing jurisdiction of the Far Eastern Commission at any time, the Commission shall also review the constitution within this same period. The Far Eastern Commission, in determining whether the Japanese constitution is an expression of the free will of the Japanese people, may require a referendum or some other appropriate procedure for ascertaining Japanese opinion with respect to the constitution.

#### U. S. DELEGATION TO INTERNATIONAL WOOL STUDY GROUP

[Released to the press March 26]

The Acting Secretary of State announced that the President has approved the composition of the American Delegation to the First Meeting of the International Wool Study Group, which is scheduled to be held at London beginning March 31, 1947.<sup>2</sup> The nominations were submitted upon the recommendation of the Secretary of Agriculture, Clinton P. Anderson, and the Acting Secretary of State, Dean Acheson. The composition of the Delegation is as follows:

##### *Delegate*

Leslie A. Wheeler, Director, Office of Foreign Agricultural Relations, Department of Agriculture

##### *Alternate Delegate*

Donald D. Kennedy, Chief, International Resources Division, Department of State

##### *Advisers*

Robert B. Schwenger, Head, International Economic Studies Division, Office of Foreign Agricultural Relations, Department of Agriculture

Paul O. Nylius, Agricultural Attaché, American Embassy, London

##### *Adviser and Secretary of the Delegation*

J. Russell Ives, Agricultural Economist, Livestock Branch, Production and Marketing Administration, Department of Agriculture

## Two ILO Industrial Committees Meet in Belgium

ARTICLE BY MURRAY ROSS

The program of the newly established industrial committees of the International Labor Organization registered further progress with the holding of the initial meetings of the Textiles Committee and the Building, Civil Engineering and Public Works Committee in Brussels, Belgium, from November 14 to 22 and November 25 to December 3, 1946, respectively. The sessions of the Textiles Committee were attended by representatives of governments and of employers' and workers' organizations from 18 leading textile-producing countries of the world, including Australia, Belgium, Canada, China, Denmark, Egypt, France, India, Italy, Mexico, the Netherlands, Norway, Peru, Poland, Sweden, Switzerland, the United Kingdom, and the United States. At the building-trades conference, tripartite delegations were present from 19 countries, including Australia, Belgium, Brazil, Canada, Chile, China, Denmark, Finland, France, India, Italy, the Netherlands, Norway, Poland, Sweden, Switzerland, the Union of South Africa, the United Kingdom, and the United States. During their extended deliberations, delegates to each of the industrial committees reviewed the various social and economic aspects of their respective fields and adopted a series of resolutions seeking the improvement of labor standards in the world textile and building-trade industries. The resolutions stressed achievement of full employment based on sound production organization and methods, formulation of stable industrial-relations principles and practices, and adherence to an international minimum level of labor standards and social security.

### Textiles Committee

The meeting of the Textiles Committee was held under the chairmanship of Radi Bey of Egypt. The employers' and workers' groups of the Governing Body of the ILO were represented by Louis E. Cornil, an official of the Belgian Ministry of Labor and chairman of the Belgian Federation of Employers, and Paul C. Finet, president of the Belgian Federation of Workers, respectively. The United States Government was represented by

Robert J. Myers, Assistant Commissioner of Labor Statistics, Department of Labor, and Rene Lutz, Leather and Textile Division, Department of Commerce. Verl E. Roberts of the Wage and Hour and Public Contracts Divisions, Department of Labor, and Murray Ross, Division of International Labor, Social and Health Affairs, Department of State, served as advisers to the Government delegates. Herbert H. Schell, president of Sidney Blumenthal and Company, Inc., and Edwin Wilkinson, assistant to the president of the National Association of Wool Manufacturers, represented United States employers. Lloyd S. Klenert and John Vertente, Jr., of the United Textile Workers of America, A. F. of L., represented United States workers.

In accordance with the procedure previously established by the Governing Body of the ILO and followed at the meetings of the inland transport, coal mining, iron and steel, and metal trades industrial committee meetings, the conference proceeded to use the detailed report of the International Labor Office as a point of departure for its opening discussions. Representatives from the various countries reviewed the significant social and economic problems facing their respective textile industries and emphasized what they regarded as the essential measures for the pursuit of healthy social and economic policies. Following this preliminary exchange of views, the conference established two subcommittees to explore in detail problems of production and social welfare. The work of both subcommittees was strongly influenced by the magnitude of the current shortage of textiles of all kinds.

The Subcommittee on Production and Related Questions turned its attention to questions of full employment, reduced working hours, training of personnel, and a guaranteed adequate minimum weekly wage. The discussion on these points stressed principally the necessity of raising the economic status of the workers in the textile industry. The workers' representatives expressed the desire that wages and other conditions of work in the industry should be brought up to a level

equal to that of other industries, both on grounds of social justice and for economic reasons. General agreement prevailed on the point that only by materially improving the status of the textile workers would it be possible to recruit trained workers in sufficient numbers to meet the current increased need for textile products in all countries of the world. Having thus established its general frame of reference, the subcommittee proceeded to the formulation of specific resolutions.

After agreeing upon a number of inquiries and studies dealing with industry and labor practices which the International Labor Office would be asked to undertake for the Textiles Committee, the subcommittee turned to the subject of full employment. To begin with, the principles of the Declaration of Philadelphia were endorsed. The resolution then expressed the belief that governments, no less than industry, have an important function to fulfil in maintaining full employment and urged the cooperation between governments, employers, and workers in the textile industry in each country as well as the fullest utilization of all resources in raw materials and equipment based on international cooperation. Supplementing the above resolution introduced by the workers' group was one on the need for increased production submitted by the employers' group. This resolution declared that an emergency exists in the form of a serious shortage of all types of textiles immediately required by the peoples of the world, and invited governments, employers, and workers to contribute their utmost to increase world production immediately.

The consideration of reduction in hours of work led to an extensive debate. At the outset of the discussions, emphasis was placed almost exclusively on a recommendation to ILO member states to ratify at once the convention relating to the 40-hour week in the textile industry. A series of measures was outlined which would be instrumental in achieving for the industry conditions favoring a reduction in the hours of work, and attention was called especially to the importance of re-equipping the industry with modern machinery in order to achieve the most efficient production possible. In support of this position, the workers urged in particular that the solution of the obstacles to production should not be sought by lengthening hours of work but rather by the

modernization of equipment and production methods in the industry.

In recognition of the difficulties with which the industry was currently faced, the workers indicated that it was not their intention to ask for the immediate application of the 40-hour week. The employers, without questioning the principle of the 40-hour week, emphasized that the present shortage of textiles in the world and the reconstruction needs of war-devastated countries made the immediate application of the 40-hour week inopportune. Several government representatives pointed out that the 40-hour week might serve as an attraction for bringing back to the textile industries the workers which they require. The view was also expressed that the principle of the 40-hour week should be accepted on the international plane because it would facilitate the equalization of competitive conditions between different countries. The resolutions finally adopted on this point reconciled the divergent views expressed by the various groups and declared that "the adoption of a working week of not more than 40 hours in the textile industry is ultimately inevitable".

The question of wages and income was dealt with in two separate resolutions. The first urged states members of the ILO to recommend to employers' and workers' organizations in the textile industry to enter into negotiations with a view to determining a guaranteed adequate minimum weekly wage for every textile worker, and to declare their support of international policies aimed at guaranteeing an adequate weekly minimum in the textile industries of their respective countries. The second resolution expressed the view that wages paid to workers in the textile industry should not suffer by comparison with those paid to workers in industry in general for work requiring similar skill and effort. Furthermore, it urged the governments of states members to define their attitude toward the principle of equal remuneration for work of equal value suggested in the ILO constitution. The last resolution dealt with the recruitment and training of personnel and endorsed the principle of improved labor standards for attracting the necessary labor force.

The Subcommittee on Social Security and Welfare confined its terms of reference to improved working conditions and welfare facilities, social security, and holidays with pay. Its first resolution declared that working conditions have a



marked influence on the efficiency and productivity of workers; that efforts are continually being made to improve these conditions; and recommended further specific improvements. The second resolution urged joint mixed factory committees to promote health and welfare and the prevention of accidents. The third resolution approved the extension of social services providing for insurance against the principal risks to which the workers are exposed and requested the ILO to undertake studies of the conditions of textile workers in relation to social security in the various countries. The last resolution endorsed a minimum two weeks' annual vacation with pay after a suitable length of service and urged that this be established in addition to compensated public holidays.

In addition to the above resolutions proposed by the subcommittees and approved in plenary session, the Committee adopted a general statement on its work, pointing out that the modernization of the industry is essential if the production of textiles is to be increased and the workers in the industry are to enjoy improved conditions and greater security which are so desirable. In this connection the Committee stressed that the output of machinery and equipment is insufficient and therefore it requested the Governing Body of the ILO to draw the attention of governments and of the competent specialized agencies of the United Nations to this problem.

The final action of the Committee, and one of considerable significance from the standpoint of international implications, related to the development of the textile industries in Germany and Japan. From almost the very inception of the meeting, some members of the employers' group expressed considerable apprehension concerning the reconstruction of the German and Japanese textile industries. Their fears centered around an undue emphasis which might be placed on these industries in the Allied reconstruction plans of demilitarized economies in these countries. In a strongly worded resolution they sought official international support in their struggle to defend their home and foreign markets, in the event they were confronted with unfair competition from the reconstructed textile industries of Germany and Japan. After some basic revisions introduced by the United States Government representative and

by the workers' group, the resolution was adopted in the following form:

"The Textiles Committee of the I. L. O. meeting in Brussels, 14-22 November, 1946, has taken note of reports that the future industrial development of Germany and Japan will emphasise the manufacture of textiles, together with other products regarded by the Occupying Powers as non-military. While recognising the present world shortage of textiles and the disorganised state of the textile industries in these countries, the Committee notes that the substantial expansion of such industries may, at a later date, seriously affect standards in the textile industries of other countries.

"The Committee fears the danger of unfair competition from Germany and Japan, whether because of inadequate labour standards or dumping or for any other reason. The Committee:

*"proposes* that this problem be brought to the attention of the Governing Body of the I. L. O. and that the Governing Body be asked to bring it immediately to the notice of the Economic and Social Council and other international organisations concerned; and

*"calls* for study of this problem and other appropriate action by these authorities to help the threatened countries in maintaining the stability of their industry.

"It insists that the Japanese and German textile economies shall be based upon a policy of ensuring to textile workers in both countries wages, earnings, hours and other conditions of work calculated to ensure a minimum living wage to all employed, in conformity with the Declaration of Philadelphia of 10 May 1944, and that the principle of collective bargaining be fostered and encouraged".

#### **Building, Civil Engineering and Public Works Committee**

The meeting of the Building, Civil Engineering and Public Works Committee was held under the chairmanship of Dr. A. H. W. Hacke, Director General of Labor for the Netherlands Government. The employers' and workers' groups of the Governing Body were represented by Louis E. Cornil, chairman of the Belgian Federation of Employers, and Robert J. Watt, international representative of the A. F. of L., respectively. The United States Government was represented

by Robert J. Myers, Assistant Commissioner of Labor Statistics, Department of Labor, and Winchester E. Reynolds, Commissioner of Public Buildings, Federal Works Agency. Herman B. Byer, Assistant Chief of the Employment and Occupational Outlook Branch, Bureau of Labor Statistics, Department of Labor, and Murray Ross, Division of International Labor, Social and Health Affairs, Department of State, acted as advisers to the Government members. Vincent P. Ahearn, executive secretary of the National Sand and Gravel Association, and Edward P. Palmer, president of Senior and Palmer, Inc., represented the United States employers. Cornelius J. Haggerty, secretary of the California Federation of Labor, and Charles Johnson, Jr., executive board member of the United Brotherhood of Carpenters and Joiners of America, A. F. of L., served as representatives of United States workers.

Although the problems of the building trades are quite different in many respects from those facing the textile industries, the Committee followed the same general organizational pattern. After some preliminary discussions on the basis of a report prepared by the International Labor Office, three subcommittees were established to consider in detail the problem of production and reconstruction, conditions of work, and industrial relations. The deliberations of all the subcommittees were dominated by the enormous current requirements for construction work of all kinds.

The Subcommittee on General Problems Relating to Production and Reconstruction adopted a statement in which it declared that reconstruction must not be considered merely in terms of the tasks confronting the different countries individually but should be regarded as a collective task for all the nations, and endorsed all economic, financial, or political measures which will facilitate access to raw materials for such countries as stand most in need of them and are without them. The general statement also declared that there are five main problems relating to production and reconstruction: (1) program; (2) production; (3) reconstruction; (4) recruitment and vocational training of manpower; (5) stabilization of employment.

The resolution covering the first point recognized the acute shortage of housing accommodations and urged remedy of this situation with the least possible delay. To achieve this end it appealed to all those connected with the building

trades to maximize their productivity, and to governments to stimulate and maintain such efforts of the industry by establishing programs of work to cover a fairly long period of time. On the subject of production, the resolution recommended that no means be neglected of increasing productivity in the industry by the adoption of new techniques including the use of alternative materials and of modern mechanical equipment. It similarly stressed the considerable advantages of standardization of components in construction industries and urged the preparation of codes of practice in order to facilitate further standardization and thus expedite execution of large construction programs now in progress in most countries.

The resolution dealing with problems of reconstruction left to governments the task of determining the order of reconstruction for their respective countries. In order to avoid unnecessary delays the resolution recommends that the respective authorities make all the essential preliminary preparations, including plans, drawings, etc., and properly synchronize the several phases of the reconstruction process. The resolution notes that there are shortages of building materials and mechanical equipment in many countries, while in many others some of these materials and equipment may soon become available for export, and it recommends to governments that all planned programs for the production of materials and equipment should be regarded as an essential factor in reconstruction and that every effort be made to insure that the materials- and equipment-production industries are adequately manned. Furthermore, in view of the urgency of building and civil-engineering construction, it proposes that, in any plans devised, special attention should be paid to eliminating, by all the means compatible with the circumstances, any difficulties currently restricting international trade in these particular commodities, without, however, prejudicing national markets.

On the subject of recruitment and vocational training of manpower in the construction industries, the resolution noted the shortage of skilled labor in the majority of countries and recommended that in the international field the voluntary movement of available manpower take place from countries with a surplus to those experiencing shortages. In the national field it urged the increase in numbers of craftsmen practicing the

various trades which are within the scope of the construction industry. The final resolution emerging from this subcommittee deals with stabilization of employment. It emphasizes the universal necessity of achieving maximum production and full employment in the construction industries, thereby making possible a high level of consumption, the payment of proper wages, and the provision of satisfactory terms and conditions of employment. To this end the resolution suggests that governments should continuously review their existing policies relating to expenditures, taxation, and domestic and foreign trade. Having in mind the regularization of activities in the industry for the stabilization of employment, and conscious of the necessity of prompt action upon the approach of any possible threat of a business depression, the resolution draws the attention of governments to the need of organizing the collection of statistical information which will facilitate the forecasting of an impending crisis.

The Subcommittee on General Conditions of Work addressed itself to problems of a more lasting character and not only to those characteristic of the immediate reconstruction era. In one omnibus resolution the subcommittee declared its stand on matters of safety and health, social security, methods of remuneration, hours of work, holidays with pay, and stabilization of employment and earnings. In order to insure the full protection of workers in the construction industries against accidents occurring in the course of their employment, the resolution called upon states members to consider the desirability of early ratification of the ILO Safety Provisions (Building) Convention of 1937. It also expressed support for the proposal to establish a mixed committee with the World Health Organization, to deal with questions concerning industrial hygiene, with special attention to the health problems of the construction industries.

With reference to social security the resolution recommended the development in all countries of systems of social insurance which would guarantee protection against all the major hazards of modern industrial life. Considerable discussion took place on the subject of the 40-hour week. Owing to the excessive work load and lack of manpower and materials facing the industry in almost every country, it was felt inappropriate to urge the universal adoption of the 40-hour week

until substantial progress had been made in the rehabilitation and reconstruction of devastated areas. However, convinced that the reduction in the hours of work is an objective to be attained as soon as conditions permit, the resolution requested the Governing Body of the ILO to place the question of the 40-hour week on the agenda of the next meeting of the Committee.

Another part of the resolution endorsed the workers' right to paid vacations and requested the ILO to undertake studies of the most suitable schemes to overcome the practical difficulties in this matter arising from the fluctuations in employment. Lastly, the resolution recommended to employers' and workers' organizations that they consider the principle of assuring to the worker payment for a minimum number of hours each week irrespective of time lost due to inclement weather. In this connection the ILO was requested to undertake an investigation into the law and practice of guaranteed weekly wages in the various countries.

The second resolution of the subcommittee drew attention to the inadequacy of rural housing and requested the ILO to undertake inquiries on the subject and make its findings generally available.

The Subcommittee on Industrial Relations proposed a total of five resolutions. The first, which appeared in the form of a preamble, noted the progressive improvement in relations between employers and workers in the construction industries of the world. It also stressed the compatibility of safeguarding occupational interests with a full regard for the interests of the public as a whole. The second resolution endorsed industrial peace, underlined the sanctity of the labor contract, and urged resolution of all differences on the basis of mutual confidence and good faith. The third resolution endorsed the existence of free trade-union organizations as a basis for proper management-labor relations in the construction industries. The fourth resolution urged, upon governments as well as upon workers' and employers' organizations, that they examine the possibility of establishing in each country national joint committees for the construction industries. These committees would have the double function of exploring the social and economic problems of the various branches of these industries and of pro-

*(Continued on page 636)*

### International Broadcasting Foundation of the United States

#### PROPOSAL BY THE DEPARTMENT OF STATE

*March 1, 1947*

To: *The Secretary*  
FROM: *William Benton*  
SUBJECT: *The Organization of International Broadcasting by the United States*

Secretary Byrnes asked me to study and to report to him on the permanent organization of international voice broadcasting emanating from the United States. This assignment was especially challenging to me because of my long experience with domestic broadcasting, and because of the opportunity I have had since my appointment to the State Department to observe the points of similarity and difference between international broadcasting and domestic.

On January 1, 1946, I recommended that the temporary arrangement then and now existing, in which responsibility for international broadcasting is centered in the Department of State, be continued on an interim basis into fiscal 1947. The Congress provided funds for this purpose with the understanding that long-range recommendations would be forthcoming during the fiscal year now current.

This memorandum, and the accompanying draft charter, presents such recommendations. I am submitting this plan with the suggestion that, if you approve it, you may wish to forward it to the Congress for discussion and action. The issues and potentialities involved in our international broadcasting are so vital to the national interest, and so far-reaching, as to call for Congressional consideration, wholly aside from the necessity for the legal and financial authorization involved in the particular plan outlined here.

My suggested plan removes from the Department of State the responsibility for conducting international broadcasting. It calls for the creation of a public corporation, supported with public

funds, to conduct and to stimulate international broadcasting, under the guidance and direction of a board of trustees of distinguished private citizens.

#### **Broadcasting—An Instrument of Peace**

Radio broadcasting is a unique—and a magnificent—instrument for advancing understanding among the peoples of the world. Its potentialities are unequalled for the task of projecting to foreign peoples that full and fair picture of American life, and of the aims and policies of the United States Government, which the President and the Congress have affirmed as an integral part of the objectives of the United States in its foreign relations.

Radio can reach people throughout the world who have no ready access to other kinds of communication facilities, and can reach them directly and instantaneously. It is not hampered by such familiar barriers to the flow of printed or pictorial material as remoteness, restrictions on foreign exchange, shortages of paper or film-stock, cartel or tariff hurdles; or even by the barrier of illiteracy. These barriers and others, in combination, have in the past meant that a substantial proportion of the earth's population has been insulated from information about developments in the United States.

No less important is the fact that radio is not subject to censorship at national boundaries. Something like 75 percent of the earth's population—regrettably—lives today under some degree of censorship blackout or dimout, particularly with respect to news. Radio thus offers the surest means of reaching the individual with information direct from an American source and without intervening selection, processing, slanting, or suppression.

International radio is already a tremendous ac-



tuality. Thirty-four nations are today beaming a total of over 3,200 program-hours per week by short wave across their borders for foreign consumption. But the promise of international broadcasting far exceeds this present performance. It is reasonable to expect technical improvements that will greatly improve the quality of transmission.

The use of short-wave signals, which carry for great distances, is the principal method of international broadcasting. It is estimated that there are today 20,000,000 sets outside the United States capable of receiving short-wave signals. It is a certainty that the number of receiving sets distributed throughout the world will be multiplied many times. The Soviet Union, for example, has announced that it expects to be producing receivers at the rate of 925,000 sets a year by the end of the current Soviet Five-Year Plan, including several types capable of receiving short wave.

The habit of short-wave listening tends to be more highly developed abroad than here, and the number of listeners per set is greater. However, short wave, even when it is "boosted" by relay stations abroad, or converted into standard wave or long wave, is not the sole method of international broadcasting. Exchange of programs among the domestic stations or networks of various countries, either "live" or by transcription, is a practice that has great potentialities. Today 19 nations are picking up our short-wave "Voice of America" and carrying our programs on their own domestic medium- or long-wave stations. More than 10,000 letters a month now come to the "Voice of America" from listeners abroad.

Thus radio is not only today the great instrument of "peoples speaking to peoples" but it promises to become far greater. It is incumbent on the people of the United States constructively to use this powerful new force in international relations between peoples to promote the cause of world understanding and world peace.

#### **International Broadcasting by the U.S. Before the War**

Despite the spectacular development of domestic radio in the United States—there are 60,000,000 receiving sets in the United States today—we have been, as a nation, negligent and backward in recognizing how great a national asset international broadcasting can be. In 1940 the gross income of our domestic stations and networks exceeded \$150,-

000,000. This figure represents only a portion of the total national outlay for domestic broadcasting, since it does not include major "talent" costs. In the same year approximately \$1,000,000 was spent for international broadcasting. There were nearly 900 stations for domestic broadcasting and only 11 transmitters for international short-wave voice broadcasting.

A big reason for this discrepancy is that domestic broadcasting is profitable to the broadcasters, and international broadcasting is not. There have been financial rewards for enterprise in domestic broadcasting. There have been no financial returns for the enterprise and expense involved in international broadcasting—and little prospect of any.

The fact that there were six American corporations engaged in short-wave international broadcasting in 1940—on a minor or experimental basis—is a tribute to their pioneering spirit, even though their total output was clearly inadequate, from a national or a world viewpoint, as measured against the need and the opportunity. These six private companies, and a seventh which came into the field during the war, are unanimously agreed upon the vital importance of international broadcasting. They also appear to be agreed that, at least for the discernible future, the hope of profits or of non-commercial private support is too dim to attract private broadcasters into operation on the scale required by the national interest.

Brig. Gen. David Sarnoff, president of the Radio Corporation of America, a pioneer in international broadcasting, reports that, before the war, the total income of United States corporations from all international broadcasting was only \$200,000. In 1943 General Sarnoff estimated that, after the war, our national interest would require "at the start not less than \$15,000,000 or \$20,000,000 a year for international radio activities, as well as unification of purpose and policy". He stated that private industry could not be expected to supply the necessary service.

Considerations of potential profit have not been the motivation in the development of international broadcasting by other nations. International broadcasting has been conducted from the beginning throughout most of the world only by governments, without interest in commercial sponsors or in profits. Many nations had entered the field before the war—notably Great Britain, Ger-

many, and Italy. All of the 34 nations engaged in international broadcasting today are operating on a governmental basis.

The war produced a tremendous increase in the volume of international broadcasting both here and abroad. Of the total volume of international short-wave programming now on the air, as measured in program-hours, only 13 percent emanates from the United States; whereas 49.6 percent emanates from Europe and another 10.5 percent emanates from African transmitters, most of which are under control of European nations. The end of hostilities brought some recession in total volume, with Germany and Japan going off the air, and the major powers cutting down somewhat (notably the United States). However, this recession promises to be only temporary. The present volume far exceeds the pre-war level, and is again rising, with new and improved transmitters coming on the air.

#### **Impact of the War on U.S. International Broadcasting**

The onset of war made clear, dramatically and at once, the vital importance of projecting to allied and neutral peoples, and to the peoples of enemy-occupied areas, an account of American news, of American and Allied aims and policies, and of the advances and setbacks on the road to victory. Radio was obviously an essential and invaluable instrument to that end. It was also a weapon for psychological warfare against the enemy.

The U.S. Government, through the Office of War Information and the Office of Inter-American Affairs, took over by contract the financing and control of the international broadcasting of the seven private operators; tripled the number of transmitters; established relay points overseas; and increased the output to 1,123 program-hours a week, in 34 languages.

The "Voice of America" thus created made a notable contribution to the victory, as American military leaders have gladly attested. It also contributed to a better understanding of America among foreign peoples, and toward building the substantial audience which now tunes in on our peacetime programs.

#### **The Present Situation**

Almost coincident with V-J Day, the President, in his Executive order of August 31, 1945, transferred the international information activities of

the OWI and OIAA to the State Department, pending completion of a study by the Department of our peacetime needs in the dissemination abroad of information about the United States. Congress approved the use of portions of the unexpended appropriations for OWI and OIAA for the interim period until June 30, 1946. On January 1, 1946, the Department established its Office of International Information and Cultural Affairs, which represented the merger of such OWI and OIAA activities as were adapted to peacetime needs, and of two previously existing divisions of the State Department.

For more than a year now, the "Voice of America" broadcasts have been continued under the direction of the Department; but present expenditures are 56 percent below the wartime peak of approximately \$18,000,000; the number of languages has been reduced to 25; all psychological warfare has been eliminated; and the entire programming operation has been adjusted to peacetime standards. Government contracts with the private operators have been continued.

Of the \$19,284,778 appropriated by Congress for the over-all activities of the Office of International Information and Cultural Affairs for fiscal 1947, \$8,600,000, or almost half, is for international radio. The latter figure was approved after the Department had made representations to congressional appropriation committees about the necessity for preventing the disintegration of the present structure to its pre-war state and level, and after the Department had assured Congress that recommendations for the permanent organization of international broadcasting would be presented during fiscal 1947.

#### **The Proposed Public Corporation**

The permanent organization which I propose would take full responsibility for international voice broadcasting emanating from the United States and would serve to stimulate such broadcasting by private agencies. I propose the creation of a public corporation, for which the name, "The International Broadcasting Foundation of the United States", is suggested. The Foundation would be managed by a board of 15 trustees. The chairman of the board of trustees would serve as the full-time operating director of the Foundation. One member of the board would be the Secretary of State, or an Assistant Secretary

designated by him. The other members of the board would be outstanding private citizens. The board would be appointed by the President with the approval of the Senate. With the exception of the chairman, its members would serve without salary.

The activities of the Foundation would be financed chiefly through annual appropriations by Congress, although the possibility of some financing through the sale of time, or through contributions, or through the Foundation's acceptance of programs prepared and presented by private agencies, remains open and should be explored.

As compared with the pre-war situation, the proposed Foundation offers many advantages. The most important advantage is the fact that, with annual appropriations by Congress, the Foundation should be able to guarantee that an adequate volume and quality of international broadcasting is carried on in the national interest. A second major advantage is that the Foundation, through coordinating available facilities and frequencies, should be able to get maximum usefulness out of the limited number of frequencies available to the United States. A third advantage is that the Foundation should be able to provide coverage to areas of the world important to our national policy but not necessarily of interest to independent operators, and to encourage an adequate, informed, and coherent treatment abroad of the "full and fair picture of American life, and of the aims and policies of the United States Government".

As compared with the present operation under the direction of the State Department, the Foundation seems to me to have advantages. Today America's international short-wave broadcasting is controlled almost entirely by the Department of State; and even though private operators were to enter the field independently (subject to approval of the Federal Communications Commission) it is apparent that the overwhelming proportion of international broadcasting must continue to be controlled by the Government, and thus by this Department, unless another method is adopted. State Department control has the advantage of providing coordination in the use of facilities and frequencies, and unity of policy; but it suffers some handicaps as well. The Foundation form promises the following advantages, among others:

1. The board of trustees of the proposed Foun-

dation should bring to the enterprise a range of experience and judgment not ordinarily available to a single agency of Government. The board will presumably include outstanding figures in the broadcasting, newspaper, and other communications industries, as well as educators and leaders in public life, drawn from both political parties.

2. The proposed board should help to win the confidence and support of the Congress and the American people by eliminating any question as to the objective and non-partisan character of the broadcasts.

3. With responsibility for programs vested in the board, and removed from the Department of State, there should be less possibility that casual foreign listeners will interpret the broadcasts, which in fact do and should represent many and various viewpoints held by Americans, as "the official policy of the United States".

4. The corporate structure should provide greater flexibility of operation than is possible under the administration of a regular Government department; it should command wider use of talents and materials, and thus develop more courage and imagination in programming. Such a structure should permit its management more effectively to meet the many new problems that will arise in this rapidly developing field, and provide a better structure for cooperation with private agencies.

#### **The Authority of the Foundation**

In the many discussions which have preceded this proposal it became clear that the absence of financial incentive to private operators is only one of the arguments against a reversion to the *status quo ante bellum*. Another strong argument is that the shortage of available frequencies is becoming so acute that a single entity must coordinate our international broadcasting if the available frequencies are to be used with anything resembling effective world-wide coverage. Since the use of public funds entails public responsibility, the question of the kind of public control to be exercised over the international broadcasting entity became a key question. The Foundation form seemed to offer adequate public control, through the annual review by Congress of needed appropriations and through Government representation on the Foundation, without entailing the necessity of Government operation. The presence of the

Secretary of State or his nominee on its board assures opportunity for liaison with the department of Government responsible for over-all policy in the field of foreign affairs.

The Foundation should be empowered to determine financial needs, to appoint staff, to acquire and operate all necessary facilities, and to do its own programming and to contract for programming by private agencies. It should also exercise control over the pool of frequencies available to the United States for international voice broadcasting.

I suggest that, to provide liaison between the board of the Foundation and those groups which have special interests in this field, two consultative committees might be created to advise with the board. One of these would consist of representatives of the various interested Federal agencies, and would have as its chairman the Secretary of State or his nominee who serves on the board of the Foundation. The other would consist of representatives of the radio industry. The chairman of the industry committee might well be named a member of the Foundation board.

In order to minimize the expenses of the Foundation, to widen the range of its sources, to heighten the quality of its output, and to maximize the opportunity for international broadcasting by independent groups and non-governmental agencies, the Foundation should be urged under its charter to encourage and assist such private groups and agencies to propose, develop, and produce programs of international interest and value; and to develop broad standards for the guidance of such broadcasters, with due regard for our foreign policies.

The Foundation itself, however, cannot avoid responsibility for determining whether the total output and the programming beamed to given areas of the world projects a fair and balanced picture of American life; and whether the allocation of time and attention to given areas is patterned to the national interest. Because of this responsibility the Foundation must be in a position to make the final determination as to the suitability of proposed programs, both its own and those of independent agencies.

Centralized authority over programming is made imperative if only by the shortage of available clear frequencies. The Department of State is today employing 56 frequencies in its short-wave

broadcasting. This is regarded by competent engineers, both from Government and private industry, as the minimum number on which an adequate job of world-wide coverage can be accomplished. (Typically, several frequencies are required to get a satisfactory signal to each area covered because of daily and seasonal climatic variations, atmospheric disturbances, and interference resulting from the overcrowded condition of the international frequency bands.) Even with this number it is necessary to treat them as a pool, and to shift frequencies systematically, by means of a central assignment control, between transmitters, areas, and waking-sleeping hours around the world.

Under the agreement of the Madrid convention of the International Telecommunication Union, to which the United States is a party, it was agreed that a total of 225 frequencies would be assigned for short-wave broadcasting by all nations (all other available frequencies were allocated for ship, aviation, safety, commercial messages, and other important purposes). However, 40 percent or more of these frequencies are unsuitable and thus unusable. No revisions of these agreements have been made since 1938. In the pre-war registration of these voice frequencies the United States registered first priority on only 19. In the chaotic situation which developed during the war, the United States, like other nations, appropriated new frequencies, some of which were outside the internationally agreed broadcasting bands, and some of which were borrowed from other nations. This accounts for the fact that it is now using 56.

The State Department today maintains three different program services to Europe, two to South America, and one to the Far East. In addition, it provides facilities and frequencies for United Nations broadcasts and for extensive Armed Forces Radio Services transmissions. Many of these programs are concurrent. This illustrates the type of demands made upon the relatively small number of effective and clear frequencies included in the pool of 56 wave lengths. The Department's overseas relay or rebroadcasting operations, which will soon be increased, must also share these already overworked frequencies.

I am told that, at the next international conference to be held in the spring or summer of 1947, it is possible that the total number of frequencies assigned to international voice broadcasting may

not exceed the present number, in the face of increased demands for other important purposes. I earnestly hope this will not be the case, but in any event it seems certain that the number now used by the United States will be contested through demands by other countries and other services for return of their frequencies. Those allocated to the United States will almost surely be inadequate for our needs.

This prospect further demonstrates that unified and centralized planning of programming is essential if an adequate job in the national interest is to be done. Several independent corporations, which wished to beam particular kinds of broadcasts to particular areas at particular times, in their own judgment and without reference to a centrally determined plan, could preclude and prevent broadcasts far more important to the national interest.

A further reason for close coordination is the fact that, in many parts of the world, signals emanating from the United States cannot be heard without the use of relay stations located abroad, which boost the power of the signal. The possible acquisition of such relays on foreign soil requires negotiation by the Government. The effective use and economical maintenance of these stations indicates a central pattern of program planning and control.

Central planning and coordination can also help to obviate the danger of broadcasts which would have the effect of engendering international misunderstanding. The competitive situation that makes for good balance and high standards in other media does not apply equally to international broadcasting, due to the shortage of frequencies and the lack of commercial incentives. For these reasons I am convinced that international broadcasting cannot be effectively organized on the same basis as domestic broadcasting.

The caliber and the representative character of the proposed board of trustees, and the Foundation's policy of encouraging private agencies to initiate programming within the limits of broadly conceived Foundation objectives, can and will assure, it seems to me, that the "Voice of America" will be a voice that is truly American.

### Summary

The main points that have been made in the foregoing proposal are:

1. the vital national interest in adequate world-wide broadcasting from the United States;
2. the necessity for Government appropriations to achieve world coverage, because of the absence of commercial incentive;
3. the necessity of a centralized pattern of programming, if only because of the shortage of frequencies;
4. the proposal of a public corporation to serve as a channel for both financing and central planning, and to insure the representative character of the broadcasts;
5. policy supervision of international broadcasting by a board of outstanding American private citizens, with Government participation.

### Radio Relay Stations at Algiers To Close

[Released to the press March 24]

The Department of State announced on March 24 that the U.S. radio relay stations at Algiers will be shut down on June 1, 1947. This radio relay operation was started during the war in 1943, to relay programs of the Voice of America by short wave and medium wave to Europe, Africa, and the Near East. The medium-wave relay station was closed in October 1946. Since then, two short-wave transmitters have carried programs from the United States for four and three quarters hours daily in the following languages: English, Bulgarian, Czechoslovak, French, German, Italian, Polish, Rumanian, and Yugoslav.

Since the middle of 1946 this Government has been in constant negotiation with the French Government for the ultimate disposition of the facilities, which are under the direction of an American technical staff responsible to the U.S. Consul General in Algiers.

Programs now relayed through Algiers will be relayed to various European countries through the newly established short-wave relay at Munich and through the facilities of the BBC. The International Broadcasting Division of the Department of State is now planning long-range relay installations for more complete coverage of Europe and the Near East, subject to approval by Congress, and has an engineering survey under way to determine the best sites.

The ultimate disposition of the physical facilities at Algiers is not yet decided.

## Reception in U.S.S.R. of "Voice of America"

### STATEMENT BY ASSISTANT SECRETARY BENTON

[Released to the press March 29]

The Associated Press in a Moscow dispatch of March 26 reported that the "Voice of America" is "finally making itself heard in Russia". The dispatch continued, "The 'Voice of America', on a new waveband, pounded into Moscow tonight as loud as the Moscow radio, clear, and with no interference. The program received numerous comments from local listeners, who said they were impressed."

One reason for difficulties in getting our signal through to Moscow on our daily Russian broadcasts was reported on March 27 from Munich by E. J. Kerrigan, recently resigned vice president of Press Wireless, who is now serving as a Special Consultant to the Department of State. Mr. Kerrigan cabled that his investigations of our Munich transmitters had disclosed that the switching gear on one of our antennae had been sabotaged. He said that the doors on the switch-house had been broken and the switch of the antenna had purposely been "reversed" so that it was directed to South America rather than to Moscow.

Of the six antennae available at our Munich relay station, three are regularly beamed to Balkan

countries and two to the Soviet Union. One of the latter two had been used for experiments with new frequencies, and it is this antenna which had been tampered with. During the week of March 17 to 25, experiments on a new frequency, beamed to the Soviet Union via this antenna, failed, apparently because of the sabotage. The condition was corrected on March 25.

In his cable Mr. Kerrigan reported that an investigation was under way and assured the Department that he was taking all possible precautions against this and other such acts.

The AP dispatch is further confirmed by Drew Middleton's report in the *New York Times* of March 28, in which he states:

"After five weeks of broadcasting, the 'Voice of America' program beamed to the Soviet Union from the United States is winning an increasing number of listeners, not only in Moscow but also in the Ukraine, White Russia, and several provincial cities of the Russian federation.

"Generally the programs are attracting more and more listeners, they are getting publicity by word of mouth, and they are contributing to an understanding of the United States here."

## Proposed International Interchange and Information Act

### LETTER OF TRANSMITTAL<sup>1</sup>

I am transmitting a draft of a proposed bill "to enable the Government of the United States more effectively to carry on its foreign relations by means of (a) promotion of the interchange of persons, knowledge and skills between the people of the United States and other countries, and (b) public dissemination abroad of information about the United States, its people and its policies."

<sup>1</sup> Letter from Acting Secretary Acheson to the President pro tempore of the Senate, and to the Speaker of the House, accompanying proposed cultural-exchange act (bill not printed). For text of draft bill see Department of State press release 225 of Mar. 21, 1947.

This draft was prepared jointly with the Departments of Agriculture, Commerce, Interior and Labor, the Federal Security Agency, the Library of Congress and the Smithsonian Institution.

The proposed legislation would authorize four types of activities, each of which has been sponsored by this Government over a period of years. The legislation is submitted to Congress only after a world-wide inquiry in which the United States embassies and consulates have advised on the importance of these activities to their work.

The principal activities authorized by this leg-



islation are summarized below, in the order that they appear in the legislation.

(1) *Educational exchanges.* Since 1939 the Department of State has been encouraging the exchange of students and professors, books and other educational materials with the American Republics. Through the cooperation of other federal agencies, young technicians and specialists in the other American Republics have been brought to the United States for practical training. Small grants have been made to American-sponsored schools abroad, to several American libraries abroad, and to the United States community centers abroad which serve as discussion centers for citizens of the United States and other countries. The Congress has made a small appropriation each year for these activities, which are strongly supported by our embassies. The purpose of this program is not "to educate the world" but rather to call attention openly to the merits of American educational methods, and thus to give to promising young leaders abroad an understanding of American aims and ideals.

The proposed legislation will authorize these activities outside the Western Hemisphere.

(2) *Assignment of Government specialists abroad.* Since 1938 the Department of State has been arranging for individual specialists employed by the United States Government to be assigned for periods of service with other governments. Approximately 100 persons have been sent abroad in this nine-year period to advise on problems in such fields as agriculture, public health, census taking, child welfare and civil aviation safety. The present law restricts this service to the other American Republics, the Philippines and Liberia. Governments receiving this service now reimburse the United States for a substantial portion of the expense. American Ambassadors have expressed the opinion that the small expense incurred by the United States for these assignments is eminently justified by the closer working relationships with the other governments.

The proposed legislation would authorize the assignment of specialists to governments outside the American Republics, the Philippines and Liberia.

(3) *Joint scientific services.* Since 1939 the Department of State has entered into numerous agreements with other governments in the Western

Hemisphere for the joint performance of scientific and other services that are of mutual benefit. For example, Mexico and the United States have set up a joint weather station in Mexico, for which the United States contributes technical advice and some scientific equipment. The weather data derived from this station is used by both governments and is reported to be especially valuable in preparing storm warnings for the Gulf States and for United States aircraft. Similar joint operations have been established for foreign tidal surveys needed by United States ships, for research in certain tropical agricultural products sought by the United States, and for public health measures to check the international communication of diseases. The Department of State has utilized the services of other federal agencies to perform these services. Other governments have contributed approximately 60 percent of the cost.

The proposed legislation would authorize the extension of this type of cooperation to governments outside the Western Hemisphere.

(4) *International information activities.* The President, in an Executive Order on August 31, 1945, transferred to the Department of State the international information functions of the Office of War Information and the Office of Inter-American Affairs. In the past 18 months the Department has eliminated much of this information work, has greatly reduced the number of employees, and is now conducting only those activities which it considers essential for peace-time purposes. International radio broadcasts are transmitted in about 25 languages. Small reference libraries are attached to about 60 of the embassies and consulates. Documentary films on the United States are available in most embassies for public showings. A daily wireless bulletin on developments in the United States is sent to most embassies.

The Department of State believes that misunderstandings or false reports about the United States can readily affect international negotiations in which the United States is interested. It is indispensable, therefore, for this Government to assert the facts about its policies and let the truthfulness of the information over a period of time demonstrate its reliability.

The Congress has previously authorized, subject to geographical limitations, certain of the activi-

ties described in this letter. The Act of May 25, 1938, as amended, made possible the temporary detail of United States employees, possessing special qualifications, to governments of American Republics, the Philippines and Liberia. An Act of August 9, 1939, entitled "An Act to render closer and more effective the relationships between the American Republics" has enabled the Department of State to conduct the educational exchanges and joint scientific services mentioned above, but only in the Western Hemisphere.

There is doubt whether the Department of State requires new legislation to authorize its information activities. Most of these activities have been conducted on a less extensive basis in the Department of State for many years. I am enclosing a

statement on legislative authority for the information program which was prepared for the Subcommittee of the House Appropriations Committee in 1946. The Department recognizes that this is a question which the Congress should decide.

You will recall that legislation substantially similar to that which I am enclosing was considered by the last Congress, receiving the approval of the House of Representatives (H.R. 4982, 79th Congress) and a favorable report by the Senate Foreign Relations Committee (S. 2432, 79th Congress) but did not come to a vote in the Senate.

The Department has been informed by the Bureau of the Budget that there is no objection to the presentation of this proposal to the Congress for its consideration.

## Program for International Exchange of Persons

### Roster of Foreign Engineering Students

The Department of State on March 28 announced publication of a roster of 3,133 foreign students who are studying engineering in more than 300 universities and colleges in every State of the United States and in the District of Columbia. Almost all of the foreign engineering students came to the United States to study at their own expense, or through scholarships provided by their respective governments. They represent nearly one fifth of the 17,000 foreign students now studying a wide variety of subjects in United States educational institutions.

A total of 937 of the foreign engineering students are from nine countries of the Middle and Far East which are planning modern industrial developments. The 596 students from the Middle East include 29 from Greece, 178 from Turkey, 287 from India, 47 from Egypt, 37 from Iran, and 18 from Iraq. Engineering students from Turkey and India represent half of the number of students from those countries studying in the United States. The 341 engineering students from the Far East include 300 from China, 38 from the Republic of the Philippines, and 3 from Afghanistan.

The roster was compiled by the Division of International Exchange of Persons of the Department's Office of International Information and Cultural Affairs at the request of the Engineers' Joint Council of New York.

### Aviation Training Program

The Department of State announced on March 27 that 68 citizens of Central and South America would come to the United States this spring for specialized study in aviation as part of the Sixth Inter-American Aviation Training Program now getting under way.

The young men who will participate in this training are from Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Guatemala, Mexico, Panama, Paraguay, Peru, Uruguay, and Venezuela. The course is sponsored by the U.S. Government's Inter-Departmental Committee on Scientific and Cultural Cooperation and is supervised by the CAA.

The purpose of this technical assistance is twofold: (1) to promote international aviation harmony by advancing uniformity of aeronautical installations, whether reporting, air-navigation aids, radio communications, control procedures, airworthiness standards, and so forth; and (2) to facilitate the operation of international air commerce.

### Arrival of Burmese Students

Five graduate students from Burma arrived in Boston on the S.S. *Allegheny Victory* on March 31 for advanced studies at United States colleges and universities in Michigan, Minnesota, Colorado, and Utah.

The five students bring to a total of 22 the number of Burmese students taking advanced courses in United States educational institutions in Massachusetts, New York State, California, Iowa, Texas, and Washington, D.C. All the students are graduates of the University of Rangoon in Burma. They are being sent to the United States at the expense of the Government of Burma to be trained for Government positions in Burma.

#### **Guatemalan Agriculturist Visits U.S.**

Hector M. Sierra, Chief of the Agricultural Information Division of the Ministry of Agriculture in Guatemala, is visiting the United States at the invitation of the Department of State. He has been extended a grant-in-aid by the Department to enable him to confer with colleagues in the field of agriculture and to visit agricultural

research centers. Mr. Sierra will consult with appropriate officials regarding a general exchange of agricultural information between the Guatemalan Ministry of Agriculture and agricultural organizations in the United States, and regarding crops suitable to the soils and climate of Guatemala which are in demand in United States markets. He plans to visit manufacturers and experiment stations in the field of agricultural equipment suitable for use in tropical areas.

#### **Historian To Visit Ecuador and Chile**

Philip Wayne Powell, professor of American and Latin American history at Northwestern University, Evanston, Illinois, has received a grant-in-aid from the Department of State to enable him to serve as visiting lecturer on American history at the cultural centers in Quito, Ecuador, and Santiago, Chile.

## **Congressional Hearings on Trade Agreements Act**

### **STATEMENT BY UNDER SECRETARY CLAYTON<sup>1</sup>**

It is my understanding that the Committee on Ways and Means is instituting these hearings and has requested my appearance here in order to obtain information with regard to the reciprocal trade-agreements program which has now been carried on for 13 years under the Trade Agreements Act of 1934.

The Committee is, I believe, concerned with how the program affects the economic welfare of the United States. The Committee can hardly be interested in a relash and review of the past. On each of the four occasions on which the Trade Agreements Act has been renewed by the Congress, this Committee and the Senate Finance Committee have thoroughly reviewed and examined the purpose, operation, and results of the program. In the course of these examinations hundreds of American citizens have appeared before the Committees and given their views. These citizens have included businessmen, representatives of labor and agriculture, consumers, and others.

Every conceivable question, relevant or irrelevant to the program, has been asked and answered in the course of those hearings. Every shade of opinion has been fully aired. In the course of the last three hearings some 10,000 pages of testimony

before this Committee have been received and printed. In 1945 alone the printed record of this Committee's hearings extended to over 3,000 pages.

The Committee hearings have been followed by extensive consideration and debate on the floor of each House of Congress. On each occasion the Congress had renewed the authority of the President to enter into reciprocal trade agreements for the purpose, as stated in the act, of expanding foreign markets for United States products. That authority is exercised under certain precisely defined guides and limitations laid down in the act itself. There has been no intimation that the authority has been used beyond those limitations and guides.

I assume, therefore, that the Committee's interest lies in the present and the future, rather than the past, except as the past foreshadows the future. On that point I may say that during the operation of the reciprocal trade-agreements program the national income materially increased; the in-

<sup>1</sup> Made before the House Committee on Ways and Means on Mar. 26, 1947, and released to the press on the same date. Mr. Clayton is Under Secretary of State for Economic Affairs.

crease was reflected both in cash farm income and in wages and salaries paid in industry. Employment increased, especially in those enterprises which, by reason of their efficiency and other advantages, create the most jobs and pay the highest wages. These industries have found their foreign markets expanded through the reciprocal trade agreements.

The trade agreements have not, of course, been the sole factor in this economic advance. But ordinary common sense recognizes that important and profitable American industries have been able to sell more of their products in foreign markets because foreign countries, through reciprocal trade agreements, have reduced their trade barriers. American workers and farmers who benefited by those expanded foreign markets have, in turn, been better customers in the domestic market for American products. American industrial activity and living standards have been raised by increased imports, at more reasonable prices, of things from abroad which American industry and consumers need.

The United States is today facing a world economic situation different from any which we have ever faced before, and far more difficult. Since the end of the war the trend in many countries is toward more extensive controls of trade by government agencies and more actual participation in trading operations by governments. This is not the sort of climate in which our type of foreign trade, carried on by private businessmen, can expand and prosper. In this kind of climate the volume and direction of trade is determined by what government allows, not by demands of a free market. Let me make it clear right at the start, therefore, that one of the primary objectives in our post-war trade program is to create the conditions under which private American traders will have maximum opportunities to expand their trade abroad with a minimum of governmental interference. And that we need a vigorous, expanding, two-way foreign trade as an extension of a dynamic domestic economy has been demonstrated beyond dispute.

In this situation circumstances have brought the United States into a position of world economic leadership and the responsibility that goes with it. We did not seek this position, but we cannot abandon it without serious results for ourselves and for the rest of the world. We have emerged

from the war as the giant of the economic world. What we do or don't do with our power will determine the course of events not only in this country but throughout the world. By working with other countries we can reestablish the pattern of world economic relationships which we want and which will enable our own national economy and our own American system to continue and develop.

If we are to exercise our economic strength and our leadership in shaping events as we want them, we must act immediately. Things are moving too rapidly to permit us the luxury of sitting back and hoping that matters will turn out all right while we follow a policy of doing nothing. Delay and inaction now will be fatal to our objectives just as surely as wrong and misguided action will be fatal. The rest of the world is not going to wait for us. Unless we move rapidly and vigorously to establish in world commerce the principles upon which we can best advance our own economic interests, we are going to leave a vacuum into which, inevitably, will move an economic system based on principles alien to our ideas, injurious to our interests, and highly restrictive on the volume of world trade.

In the United States we have traditionally depended chiefly on the tariff as a means of regulating our foreign trade. The tariff method is consistent with our ideas on free enterprise and competitive efficiency. Governmental quotas, import licenses, and other rigid controls are not. Neither is state trading. Other countries—not the United States—began to use such devices even before the war started.

The only effective way in which we can get rid of these devices in foreign countries is by negotiating and bargaining. Our import market is tremendously important to almost all the countries of the world, and our tariffs control their access to this market. Therefore, our tariff is our bargaining stock. A tariff slash straight across the board would not be effective use of that bargaining power nor would it be wise. For the past 13 years we have successfully been making selective tariff cuts without injury to our own economy. In return, we have obtained maximum value in the form of reductions in foreign barriers against our exports and foreign guaranties of non-discrimination against us.

If we hesitate to continue negotiating on this basis it can only be because we have lost confidence

in the strength of our own economy and the effectiveness of our own economic system. In the absence of all-around negotiated reductions in trade barriers, we face the dangerous alternative of trade regulation by governmental quotas and licenses—a system which seeks as its first objective a sort of static and negative security and makes impossible the expansion of trade by private competition and new opportunities, which is the heart of our own system.

Much of the rest of the world is in economic ruin. Our own strength is not only unimpaired but has greatly developed during the war. Under such conditions can we possibly be afraid to sit down and negotiate with other countries? Is it because we are afraid of imports? We are now absorbing imports at the annual rate of some 5 billion dollars. These imports, far from injuring our domestic economy, are strengthening our industries with essential raw materials and raising our standards of living. At its present tempo our economy could profitably absorb a much greater volume of imports. If that tempo is speeded up and our industries continue to expand, we can profitably accept—in fact we must have—even more imports than we are now receiving. We definitely must have larger foreign markets for the enormous surpluses we are now producing in this country, principally of farm products. There must be, in short, a world-wide, multilateral expansion of world trade under private enterprise on a non-discriminatory basis. It is within our power, and clearly in our self-interest, to help bring this about.

It is against today's present and growing trade restrictions and discriminations that the United States Government is now proposing to exert its power and its leadership through an international trade program based on the same lines as the reciprocal trade-agreements program of the past.

If we act quickly, and with courage and vision, we can do much to prevent existing governmental restrictions and controls on trade throughout the rest of the world from becoming more burdensome. We can help to turn the tide in the other direction, so that United States traders will not find their foreign markets and their foreign sources of supplies fenced off by new and more burdensome tariffs, quotas, and import- and export-license systems. We can take the leadership in preventing conditions under which foreign governments take more and more control of com-

merce, actually participate more and more in trade, and make new bilateral and discriminatory deals among themselves which will have the effect of shutting out American traders or putting them at competitive disadvantage.

If we do not act decisively and effectively now, it will be increasingly difficult for private American businessmen to carry on foreign trade under such conditions. They will be compelled to seek the assistance of their own Government in dealing with foreign governments. The United States Government will find itself bargaining and bartering, country by country and month by month, to get foreign markets for American goods and foreign supplies for American industry and consumers. Governmental regulation of and participation in foreign trade is a long step in the direction of governmental interference with domestic business—with production, prices, and consumption. The trade-agreements program will minimize government intervention in private trade, both foreign and domestic, and should be vigorously supported by believers in free enterprise.

Unless the United States quickly throws its economic power into the balance in favor of more liberal and expanded world trade in private hands, we shall lose the initiative and fall back into a defensive action against trade developments throughout the world that will be highly disadvantageous to the whole United States economy.

For 13 years the trade-agreements program has been used by the United States as a means of checking and preventing, so far as possible, the growth of foreign barriers and discriminations against United States trade. Until the last war, the effort was reasonably successful. We obtained not only reductions in foreign trade barriers but also commitments for non-discrimination against United States trade from 29 of the countries with which we trade. In addition, through the authority in the Trade Agreements Act to withhold trade-agreement benefits from countries which might discriminate against us, we were able in most cases to protect American foreign trade from being placed at serious competitive disadvantage in the markets of those countries.

Ground was lost during and after the war, however. It can be regained only through prompt and vigorous action along the same lines as those followed in the trade-agreements program in the past.

This leadership is not something new for this country. The reciprocal trade-agreements program of 1934 was, in itself, an exemplification of leadership. During and since the war we have moved farther and farther to the front. In the Atlantic Charter and in our lend-lease agreements it was the United States which insisted on the inclusion of principles looking toward more liberal, non-discriminatory, and expanding world trade after the war. While the war was still in progress it was the United States initiative which led to the Bretton Woods agreements and the subsequent establishment of the International Bank for Reconstruction and of the International Monetary Fund.

In November 1945 the United States published its *Proposals for Expansion of World Trade and Employment*, which suggested the establishment of an International Trade Organization and the adoption of a charter or code of principles under which international commerce can expand, multilaterally and on a non-discriminatory basis, with the fewest possible restrictions, and with resulting increases in employment and production and higher living standards throughout the world. The *Proposals* were followed by a *Suggested Charter* for the proposed International Trade Organization, and the United States Delegation in the United Nations Economic and Social Council introduced in the Council the resolution to call an International Conference on Trade and Employment which will consider the establishment of an International Trade Organization and the adoption of a charter for it. United States experts drafted the *Suggested Charter*, which was the basic document used by the Preparatory Committee set up by the Economic and Social Council which first met at London in October and November 1946.

It was the United States Government which in December 1945 invited 15 foreign countries, and later 3 additional countries, to meet with us and negotiate, under the Trade Agreements Act, for reciprocal reduction of tariff and other trade barriers and for the elimination of discriminations in world trade.

Through all these measures we have established and begun to exercise our economic leadership, in our own interest and in the interest of the rest of the world. If we step down now, the consequences will be disastrous to us and also to the rest of the world. Therefore, let me tell you briefly how

we propose to exercise our leadership in the immediate future.

As I have said, the Preparatory Committee set up by the Economic and Social Council of the United Nations has set next month for its second meeting in Geneva. At that meeting the Committee will do two things: first, it will conclude its preparations for an International Conference on World Trade and Employment and its drafting of a charter for an International Trade Organization, along the lines proposed by the United States Government in November 1945; second, the nations represented on the Committee will undertake to negotiate among themselves trade agreements providing for the reduction of tariffs and other trade barriers and for the substantial elimination of trade discriminations. This, too, is along the lines planned by the United States when in 1945 and 1946 it invited these same nations to negotiate such a trade agreement.

The United States Government has already carried through the preliminary steps under the Trade Agreements Act in preparation for the negotiations at Geneva. Public notice of intention to negotiate was given last November, and a list of the products on which we would consider offering tariff concessions in the negotiations was made public at the same time. Public hearings on the proposed agreement were opened by the Committee for Reciprocity Information on January 13 and continued through February 6. More than 1,000 interest groups and individuals filed written statements, and more than 500 appearances were registered at the public hearings. Every interested person was given full opportunity to give information and views as to the provisions of the proposed agreements, including concessions which should be sought from foreign countries in the interest of American exports, whether any reductions should be made in United States tariffs, and what reductions might be made. These views and information, together with the material assembled by the representatives of seven Government agencies which make up the interdepartmental trade-agreements organization, are being analyzed and thoroughly studied by that organization in preparing its recommendations to the President, through the Secretary of State, on the terms which the United States, in its own economic interest, should seek to have incorporated in the agreements.

The trade-agreement negotiations at Geneva are an essential and integral part of the rest of the job to be undertaken there—to conclude the preparatory work for the establishment of an International Trade Organization and the writing of a charter or code of principles and rules for the conduct of international trade. Unless arbitrary, excessive, and uneconomic barriers to trade are reduced and unless discrimination and inequality of trade treatment are abolished, there will not be much use trying to go ahead with the rest of the plan.

The charter covers other matters as well. It proposes commitments that member countries will try to increase and maintain domestic employment and buying power by means which will not adversely affect other countries. It provides for limitation of the use of trade quotas and exchange restrictions. It establishes principles for the operation of intergovernmental arrangements dealing with emergency situations in regard to primary products. It provides for both joint and individual action by governments in curbing restrictive cartel practices in international trade.

Agreement on all of these things must be reached if American traders are to gain the maximum advantages for their individual enterprises and competitive efficiency. If agreement is reached we can not only maintain but raise the levels of employment, production, and buying power in this country. These things will be done—can be done—only if this country continues to exercise its leadership in international economic affairs.

I might add here that, contrary to some misunderstandings, the International Trade Organization will not be an international super-government in the economic field, with power to fix tariffs of member countries or control either their foreign or domestic trade. Tariff adjustments under the charter—the matter of most interest to the United States—will be made by negotiation and only in return for comparable advantages, just as the United States has been doing for 13 years under the trade-agreements program. Member nations will voluntarily agree to refrain from imposing quotas and certain other trade restrictions and discriminations. The International Trade Organization will impose no new international controls or regulations on trade. Under its charter only

one “penalty” can be incurred by any country which violates its commitments. Member countries may, with the concurrence of the organization, withhold from such a country the trade benefits which they have agreed to extend to each other.

The whole aim and purpose of the International Trade Organization and of the *Suggested Charter* is to reduce and minimize, not to increase, governmental interference with foreign trade carried on by private traders, and to guide that trade on economic, not political, principles.

That is what we are going to Geneva for—to bargain for a chance for American private enterprise to continue and to benefit the American economy through expanded foreign trade.

Actually, we are to bargain for more than business profits and economic advancement. The relationship between political and economic questions in the international field is so close that it should hardly need emphasis. It has been forcefully illustrated by the situation in Turkey and Greece, which was the subject of the President's recent message to the Congress. We have never said that successful international economic cooperation would in itself assure political peace, but it is clear that, in the absence of satisfactory economic conditions, political problems become intensified and political peace cannot be stable or long-enduring. Our kind of system cannot fully succeed while widespread poverty and want exist. On the contrary, it is the continuation of such conditions that gives rise to the serious political problems in many parts of the world today. The more we can do, therefore, to bring about healthy economic conditions, the fewer political problems we will have. At Geneva we aim to advance further toward international agreement on the economic conditions which will strengthen the political basis for peace.

These, then, are some of the reasons why we should—and we must—push ahead vigorously and with the courage of real leadership in the course we have laid down. This is the hour of opportunity. I am convinced that we can now obtain international agreement which will result in a great expansion in world trade, in which the United States would certainly be the chief beneficiary. If we lose this opportunity, who knows when or whether we may ever have another?



## U.S.-French Agreement on Copyright Extension

An agreement between the United States and France for an extension of time for fulfilment of the conditions and formalities for securing copyright during the present emergency was effected on March 27, 1947, by an exchange of notes between the French Ambassador and the Acting Secretary of State.<sup>1</sup>

The note from the French Ambassador to the Acting Secretary of State describes the French legislation regarding copyright kept in force during the war which accorded citizens of the United States favorable treatment and prevented American authors from suffering any prejudice to their rights in France because of the war. The note from the Acting Secretary of State to the French Ambassador is accompanied by a copy of a proclamation issued on March 27, 1947, by the President of the United States pursuant to Public Law 258, 77th Congress (55 Stat. 732), extending to French authors and copyright proprietors the time for compliance with and fulfilment of the conditions and formalities established by the laws of the United States of America relating to copyright.<sup>2</sup>

## Restitution of American-Owned Property in France

[Released to the press March 26]

Americans who were deprived of property in France during the war are advised that June 1, 1947, has been fixed as the time limit for proceedings under two French ordinances providing for the restitution of certain types of property.

Procedures for the recovery of property which was confiscated and subsequently sold by the Vichy government or by the enemy occupation authorities were established by ordinance no. 45-770 of April 21, 1945 (*Journal Officiel* of April 22, 1945). Reports of all such property were required to be made by the present holders to the Restitution Service of the French Ministry of Finance. The dispossessed owners may declare all transfers of such property invalid and may bring special proceedings for the recovery of their property before the presiding judges of the civil or commercial courts.

<sup>1</sup> Not printed.

<sup>2</sup> The text of the above-mentioned proclamation is printed in 12 *Federal Register* 2047.

The restitution of movable property which was pillaged during the occupation and subsequently recovered by the French Government is governed by ordinance no. 45-624 of April 11, 1945 (*Journal Officiel* of April 12, 1945) and subsequent orders implementing the ordinance. Such property may be reclaimed by filing an application with the Service de Restitution des Biens des Victimes des Lois et Mesures de Spoliation, Ministère des Finances, 71 Boulevard Pereire, Paris. The application should describe the property as precisely as possible, and indicate the date on which, and the place where, the property was pillaged.

No time limit has been fixed for the recovery of property confiscated by the Vichy government or by the occupation authorities and taken over by the French Government at the time of the liberation. Among the ordinances providing for the return of such property are those of October 16, 1944 (*Journal Officiel* of October 17, 1944), and of November 14, 1944 (*Journal Officiel* of November 15, 1944). Such property may be recovered by direct request to the administrator or manager of the property.

All of the above measures were adopted by the French Government in fulfilment of the London declaration of January 5, 1943. The governments signatory to that declaration announced their intention to do everything possible to defeat the methods of expropriation employed by the enemy in occupied territory, and reserved the right to declare invalid any property transaction in enemy-controlled territory.

## Procedure for Filing Property Claims in the Netherlands

[Released to the press March 27]

Although the time for filing claims for property confiscated in the Netherlands by the Germans during the war expired on May 1, 1946, efforts will be made to have consideration given to such claims filed by American nationals at the present time if good reasons can be shown for the delay in filing. As it appears likely that the custodians appointed by the Netherlands Government to administer such property will be in a position to make a substantial first payment in liquidation of claims in 1947, claims should be filed without further delay.

Property of American nationals which was confiscated by the Germans was administered during the German occupation of the Netherlands by the



"Deutsche Revisions—und Treuhand A.G." The "Treuhand" assets were among those taken over by the Netherlands Government when the Netherlands was liberated. The assets are under the jurisdiction of the "Nederlandsche Beheersinstituut", an organization similar to our Alien Property Custodian, which appointed custodians for the properties of all German agencies and individuals. Under the laws of the Netherlands, debtors who were forced by the Germans to pay "Treuhand" money owed to the enemies of Germany are considered to have paid off their debts, and creditors for such debts are to regard the German agency to which the debt was paid, in this case "Treuhand", as the debtor, rather than the firms or individuals who contracted the debt.

Americans desiring to file claims for bank ac-

counts or other sums of money owing to them which were turned over to "Treuhand" are advised to write promptly to the custodians of "Treuhand" appointed by the "Nederlandsche Beheersinstituut", Notaries J. van Hasselt and A. M. Vroom, Singel 250, Amsterdam, Netherlands, stating in their letter all the details of which they are aware regarding the transaction between their debtor and "Treuhand", such as amount, date, place of payment, and so forth. It is suggested that a copy of the letter registering the claim be sent to the former debtor in the Netherlands with the request that he communicate with "Treuhand" and provide any additional pertinent details regarding the transfer of the funds to "Treuhand" which may have been omitted in the claim.

## U.S. Position on Swedish Import Restrictions

[Released to the press March 25]

*Text of a note delivered by the American Legation at Stockholm to the Swedish Foreign Minister on March 24, 1947. The note deals with the import restrictions imposed by the Swedish Government on March 15, 1947*

### EXCELLENCY:

I am instructed by my Government to inform you as follows:

The Government of the United States has taken note of the action of the Government of Sweden, announced in its communiqué of March 15, 1947, in imposing a general import prohibition, effective from 7:00 p.m., March 15, 1947 for the purpose of preventing a further decline in its foreign exchange reserves. The United States Government has also taken note of the fact that certain commodities not included in the import prohibition, are placed on a so-called free list, and that included in this free list are chiefly raw materials, machinery and other commodities essential to the Swedish economy, as well as commodities which will be imported in fulfillment of Sweden's bilateral trade agreement commitments.

The Government of the United States calls the attention of the Swedish Government to Article

VII of the Reciprocal Trade Agreement entered into between the two countries on May 25, 1935 which provides that in the event that either party to the agreement proposes to change any of the provisions of Article VII it shall give notice in writing to the other Government and shall afford the other Government thirty days after receipt of such notice to consult with it in respect to such action. Insofar as the import restrictions placed in force by the Swedish Government on March 15, 1947 affect the importation into Sweden of commodities listed in Schedule I of the Reciprocal Trade Agreement, the failure of the Swedish Government to give the United States Government thirty days' notice in writing constitutes a clear violation of Article VII of the Trade Agreement. Since the Government of Sweden has itself announced that so long ago as December 19, 1946, it was informed by the Riksbank of the necessity of imposing some form of import control in view of the rapidly decreasing gold and foreign-exchange holdings of the Riksbank, my Government feels that the Swedish Government had adequate opportunity of affording the United States Government the thirty-day advance notice required in the United States-Swedish Trade Agreement.

The Government of the United States cannot

but strongly protest the implications of the announced program of the Swedish Government to permit the import of certain commodities into Sweden in fulfillment of its bilateral trade-agreement commitments, while prohibiting or severely restricting the importation of the same or similar commodities from the United States. By this course of action the Swedish Government would appear to be adopting the position that it considers that its bilateral trade agreements must be honored and fulfilled at the expense of or in preference to its contractual obligations with countries with which it has no such bilateral agreements. This policy, if pursued, would lead to a complete breakdown of multilateral non-discriminatory trade among nations, the maintenance of which, in addition to being a principal tenet of the United States Government's foreign policy, is also an established principle of the Swedish Government, according to repeated pronouncements by its representatives. The United States Government must emphasize that it considers its Reciprocal Trade Agreement entered into with the Government of Sweden to be fully as binding upon the Swedish Government as any of that country's bilateral agreements. In fact the Reciprocal Trade Agreement, by reason of the date of its entering into force, is a prior commitment of the Swedish Government.

The United States Government feels constrained to call attention of the Swedish Government to the commitments and obligations entered into by Sweden in its Reciprocal Trade Agreement with the United States, particularly as those commitments are set forth in Article II of the Agreement. That Article provides that in the event of the establishment of quotas or other import restrictions by either Government, it is agreed that in the allocation of the quantity of restricted goods which may be authorized for importation, the other country will be granted a share equivalent to the proportion of the trade which it would normally enjoy. Article II further provides that in the event either country establishes import restrictions, imports originating in the other country will be granted at least as favorable treatment as that granted to the same or similar goods originating in a third country. The United States

Government must assume that the announced import licensing system of the Swedish Government will be administered in accordance with the provisions of Article II of the Reciprocal Trade Agreement, as well as in accordance with the general spirit and intent of that Agreement.

The United States Government reserves all rights, under Article XI of the Reciprocal Trade Agreement between the two countries, to make such further representations to the Swedish Government as the future operation of that Government's import licensing system may seem to require.

## **Haitian Good-Will Mission Concludes Negotiations With U.S.**

The Special Mission of the Government of Haiti which has been in the United States recently concluded its negotiations with this Government, and members of the mission have now returned to Port-au-Prince. The mission consisted of Jean Price-Mars, Minister of Foreign Relations; Joseph D. Charles, Ambassador in Washington; Gaston Margron, Minister of Finance; and Georges Rigaud, former Minister of Agriculture and Commerce.

During its stay in the United States the mission or individual members thereof were received by Secretary Marshall, Under Secretary Clayton, Assistant Secretary Braden, the President and members of the Board of Directors of the Export-Import Bank, and other officers of the State Department and the Bank, who discussed with them matters of mutual interest to the Governments of Haiti and the United States.<sup>1</sup>

Coinciding with the mission's visit were several developments demonstrating the mutual cooperation and close relations which exist between Haiti and the United States. These included the extension until June 30, 1948 of the joint agricultural program of the Government of Haiti and the Institute of Inter-American Affairs; an increase in the price paid by the Reconstruction Finance Corporation for Haitian sisal, most of which is purchased by that agency; continuation of an accelerated program of cultural exchange between the two countries; and the preliminary steps in the negotiation of a cultural convention which, if concluded, would be the first such formal accord entered into by this Government.

<sup>1</sup>For exchange of correspondence between the Mission and the interested agencies of this Government, see Department of State press release 245 of Mar. 26, 1947.

## Proposed Amendment to the Constitution Relating to President's Terms of Office

[Released to the press March 28]

The original joint resolution proposing an amendment to the Constitution of the United States relating to the terms of office of the President was received at the Department of State on the afternoon of March 24.

The document bears the signatures of Joseph W. Martin, Jr., Speaker of the House of Representatives, and William F. Knowland, Acting President of the Senate *pro tempore*, and has also the customary endorsement, "I certify that this Joint Resolution originated in the House of Representatives", which is signed by John Andrews, Clerk of the House of Representatives. Resolutions proposing amendments to the Constitution are not submitted to the President of the United States, and accordingly this resolution does not bear the signature of President Truman.

When a proposed constitutional amendment is received from Congress by the Secretary of State, it becomes his duty to communicate the resolution to the Governors of the 48 States. A letter signed by the Secretary of State, or the Acting Secretary of State, is sent to the Governor of each State enclosing a copy of the resolution of Congress duly authenticated under the seal of the Department of State. In the present instance these 48 letters were dispatched on March 27, which allowed time for the making of copies of the resolution, for the preparation of certificates of authentication, and for the affixing thereto of the seal of the Department.

The letter of the Acting Secretary of State to the Governors read as follows:

"I enclose a certified copy of a resolution of Congress entitled 'JOINT RESOLUTION Proposing an Amendment to the Constitution of the United States relating to the terms of office of the President', passed during the first session of the Eightieth Congress of the United States, 'Begun and held at the City of Washington on Friday, the third day of January, one thousand nine hundred and forty-seven'. It is requested that you cause this joint resolution to be submitted to the Legis-

lature of your State, for such action as it may take, and that a certified copy of such action be communicated to the Secretary of State, as required by section 160, title 5, United States Code, copy of which is enclosed.

"An acknowledgment of the receipt of this communication is requested."

An enclosure to the letter is a copy of section 160, title 5, of the United States Code, as follows:

"Whenever official notice is received at the Department of State that any amendment proposed to the Constitution of the United States has been adopted, according to the provisions of the Constitution, the Secretary of State shall forthwith cause the amendment to be published, with his certificate, specifying the States by which the same may have been adopted, and that the same has become valid, to all intents and purposes, as a part of the Constitution of the United States."

Article V of the Constitution of the United States provides that—

"The Congress, whenever two thirds of both Houses shall deem it necessary, shall propose Amendments to this Constitution, or, on the Application of the Legislatures of two thirds of the several States, shall call a Convention for proposing Amendments, which, in either Case, shall be valid to all Intents and Purposes, as Part of this Constitution, when ratified by the Legislatures of three fourths of the several States, or by Conventions in three fourths thereof, as the one or the other Mode of Ratification may be proposed by the Congress. . . ."

The present joint resolution includes the provision that the proposed amendment "shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States". In the case of 20 of the 21 amendments to the Constitution that have gone into force, the procedure of submission to the legislatures of the States was employed; in the one case of the Twenty-first Amendment the alternative procedure of submission to conventions in the States was employed.

When and as the respective State legislatures take action on the proposed amendment to the Constitution, certified copies of such action are transmitted to the Secretary of State; and if and when the necessary three fourths of the States, or in other words 36 States, have ratified the proposed amendment, the Secretary of State, pursuant to section 160, title 5, United States Code, will certify under the seal of the Department that it appears from official notices received at the Department that the amendment has been ratified by the legislatures of those States, naming them, and that the amendment "has become valid, to all intents and purposes, as a part of the Constitution of the United States".

A copy of the joint resolution in question follows:

#### JOINT RESOLUTION<sup>1</sup>

PROPOSING AN AMENDMENT TO THE CONSTITUTION OF THE UNITED STATES RELATING TO THE TERMS OF OFFICE OF THE PRESIDENT

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein),* That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States:

*"Article —*

*"Section 1.* No person shall be elected to the office of the President more than twice, and no person who has held the office of President, or acted as President, for more than two years of a term to which some other person was elected President shall be elected to the office of the President more than once. But this Article shall not apply to any person holding the office of President when this Article was proposed by the Congress, and shall not prevent any person who may be holding the office of President, or acting as President, during the term within which this Article becomes operative from holding the office of President or acting as President during the remainder of such term.

*"Section 2.* This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-

fourths of the several States within seven years from the date of its submission to the States by the Congress."

JOSEPH W. MARTIN, JR.

*Speaker of the House of Representatives*

WILLIAM F. KNOWLAND

*Acting President of the Senate pro tempore.*

I certify that this Joint Resolution originated in the House of Representatives.

JOHN ANDREWS, *Clerk.*

#### ILO Meeting—Continued from page 617

viding means for consideration of questions arising from the proceedings of the Building, Civil Engineering and Public Works Committee. The fifth and last resolution requested the ILO to undertake a study of the methods employed in the various countries of conducting industrial relations in the construction industries.

The first sessions of the Textiles Committee and the Building, Civil Engineering and Public Works Committee of the ILO furnished an opportunity to the delegates of the several functional groups to meet together and to exchange their views on the conditions in their respective countries. In this manner they provided a basis for becoming acquainted with problems of mutual interest and of laying a foundation stone for future international cooperation in the field of social policy in the textile and construction industries. The consensus of opinion regarded both meetings as quite successful.

## THE FOREIGN SERVICE

### Ambassador to Yugoslavia, Resigns

The President has received a letter dated March 26, 1947, from Richard C. Patterson, Jr., tendering his resignation as United States Ambassador to Yugoslavia. For the text of Mr. Patterson's letter and the President's reply, see White House press release of March 27, 1947.

### Ambassador to Poland, Resigns

The President has received a letter dated March 21, 1947, from Arthur Bliss Lane tendering his resignation as United States Ambassador to Poland. For the text of Mr. Lane's letter and the President's reply, see White House press release of March 25, 1947.

<sup>1</sup> H. J. Res. 27, 80th Cong.

## World-Wide Oral Examinations for Foreign Service

[Released to the press March 28]

An examining panel left Washington on March 28 on a trip around the world to conduct oral examinations for admission to the Foreign Service.

The panel consists of:

Joseph C. Green, of Cincinnati, Ohio, and Chevy Chase, Maryland, Executive Director of the Board of Examiners for the Foreign Service, Chairman with the rank of Minister;  
 Frederick W. Brown, of Kensington, Maryland, formerly of the staff of the Civil Service Commission;  
 Wayne C. Taylor, of Chicago, Illinois, and Washington, D.C., former Under Secretary of Commerce;  
 A. Rex Johnson, of Provo, Utah, and Arlington, Virginia, Assistant Director, Office of Foreign Agricultural Relations, Department of Agriculture.

The examinations will be held in Honolulu, Manila, Tokyo, Shanghai, Bombay, Cairo, Rome, Munich, Frankfurt, Berlin, Brussels, and Paris.

Most of those who will take the examinations are candidates for admission to the middle and upper

classes of the Foreign Service under the Manpower Act who have been exempted from the written examinations, or candidates for admission to class 6 who were successful in the special written examination given in October 1946 for veterans and members of the armed forces.

## THE DEPARTMENT

### Garrison Norton Confirmed as Assistant Secretary of State

On March 21, 1947, the Senate confirmed the nomination of Garrison Norton to be Assistant Secretary of State for transport and communications. Mr. Norton was formerly Director of the Office of Transport and Communications.

### Appointment of Officers

The Department of State announced on March 26 the appointment of Walter A. Radius as Director, Office of Transport and Communications.

## Addresses, Statements, and Broadcasts of the Week

The Secretary of State.	Relating to questions before the Council of Foreign Ministers. In this issue.	Made in Moscow at meetings of the Council of Foreign Ministers.
Acting Secretary Acheson.	Aid to Greece and Turkey.	Statement made before the Senate Committee on Foreign Relations on Mar. 24.
Under Secretary Clayton.	Aid to Greece and Turkey.	Statement made before the Senate Committee on Foreign Relations on Mar. 25.
		Statement made before the House Committee on Foreign Affairs on Mar. 24.
Warren R. Austin, U.S. Representative of the U.N.	Aid to Greece and Turkey.	Statement made before the Security Council of the U.N. on Mar. 28.
Paul Porter, Chief of American Economic Mission to Greece.	Aid to Greece and Turkey.	Statement made before the House Committee on Foreign Affairs on Mar. 28.
Under Secretary Clayton.	U.S. Participation in ITO.	Statement made before the House Committee on Ways and Means on Mar. 25.
Assistant Secretary Benton.	"UNESCO: Proposal to History". Not printed. For text, see Department of State press release 230 of Mar. 24.	Address made before the National Conference of UNESCO at Philadelphia, Pa., on Mar. 24.
	Reception of the Voice of America in Russia. In this issue.	Statement made in Washington on Mar. 29.
Joseph Johnson, Chief of Division of International Security Affairs.	"The Regulation of Armaments and Lasting Peace". Not printed. For text, see Department of State press release 262 of Mar. 29.	Address made before the Women's Action Committee in Washington on Mar. 29.
Assistant Secretary Thorp.	"Economic Progress and World Peace". Not printed. For text, see Department of State press release 253 of Mar. 27.	Address made before the Women's Action Committee in Washington on Mar. 27.
Under Secretary Clayton.	"Why Does the United States Need International Trade?" Announcement made in this issue.	Broadcast over NBC University of the Air program on Mar. 29.

## Departmental Regulations

### 420.1 Use of Original Records of the Department of State: (Effective 9-16-46)

**I USE OF RECORDS BY OFFICIALS OF THE UNITED STATES GOVERNMENT.** The use of the records of the Department by Government officials will be subject to such conditions as the Chiefs of the appropriate policy Divisions in the Department of State may deem it advisable to prescribe.

**II USE OF RECORDS BY PERSONS WHO ARE NOT OFFICIALS OF THE UNITED STATES GOVERNMENT.**

**A** The confidential or unpublished files and records of the Department prior to December 31, 1932 (with the exception of the Department's records concerning the Paris Peace Conference of 1919 and related subjects), or such subsequent date as may be fixed by the Department, may be made available for consultation to persons who are not officials of the United States Government, subject to the following conditions:

**1** Files which are in current use in the Department or which cannot be made public without the disclosure of confidences reposed in the Department, or without adversely affecting the public interest, will not be made available to inquirers.

**2** Papers received by the Department from a foreign government which have not been released for publication by that government will not be made available to inquirers without the consent of the government concerned. If there is reason to believe that a foreign government may be willing to permit the use of the papers in question under certain conditions, the permission may, at the discretion of the appropriate officials of the Department, be requested.

**a** If such permission is requested, the expenses of communicating with the foreign government (cost of telegrams, postage, and so forth) will be met by the person desiring to consult the papers.

**3** Permission to consult the records of the Department through the date fixed by the Department may be granted, subject to the limitations set forth in this regulation to such persons as lawyers, publicists, historians, instructors, and professors in accredited colleges and universities; and holders of the doctor's degree (or its equivalent) in foreign relations or allied subjects from such colleges and universities provided that:

**a** The applicants are authorities of recognized standing in the field to which the records relate, and that they have an important and definite use for the information desired.

**b** Requests for permission to consult material are definitely limited in scope and are confined to specific subjects or particular papers. Owing to a lack of personnel, the Department is not in a position to assemble large quantities of papers or extensive files for consultation by persons not officials of the Government.

**4** An application from an alien to consult the records of the Department under this regulation will be considered only if such an application is accompanied by a letter from the head of the embassy or legation at Washington of the country of which the alien is a citizen, subject, or national. Such a letter will show that the applicant is favorably known to the appropriate embassy or legation and that the mission is familiar with the purpose of the applicant's work.

**5** All applications to consult the original records of the Department of dates prior to the one fixed by the Department will be referred to the Chief of the Division of Historical Policy Research (RE). If the Chief of RE is of the opinion that the applicant possesses the requisite qualifications as set forth in this regulation, the applications will be handled as follows:

**a** Documents or papers previously released or published, and unpublished papers clearly involving no question of policy, intelligence, or security may be made available to qualified applicants by the Chief of RE without reference to other officials.

**b** Material or information bearing a security classification originating with another Government agency will not be made available for inspection unless specific approval is obtained from the agency of origin.

**c** For requests for all other material, information, or documents, the Chief of RE will have assembled all of the relevant papers and files which the applicant desires to consult, and will have them submitted to the Chief of the policy Division charged with the consideration of questions in the field which is the object of the research or inquiry.

**d** If the Chief of the policy Division concerned determines that the applicant will be permitted to use all or part of the papers desired, he will inform the Chief of RE of the conditions under which the papers may be examined—that is, whether copies may be made of the relevant documents or whether only notes may be taken and whether the copies or notes may be published in whole or in part, or used only for background information; or any other conditions which the Chief of the policy Division may deem it advisable to prescribe. This decision will be final except in cases of unusual importance where the question may be referred to an Assistant Secretary of State or higher officer.

**e** Upon receiving the decision of the Chief of the policy Division setting forth the conditions deemed advisable and necessary to prescribe, the Chief of RE will arrange for the applicant to consult the files subject to the conditions mentioned.

**f** After the applicant has consulted the papers, he will submit to the Chief of RE all notes, copies of documents, and the like, which he has made. The Chief of RE will refer these notes, copies, and the like, except those based on the documents or papers referred to in paragraph II A 5 a above, to the Chief of the policy Division for examination if the Chief of the policy Division so desires.

**a** The Chief of the policy Division may, after

such examination, return the papers to the Chief of RE for transmittal to the applicant, or he may, at his discretion, retain the notes and refuse the applicant permission to use them.

**B** In order that the records of the Department may be made available as liberally as circumstances permit, the Department, each year, will give consideration to the situation then existing with a view to advancing the date fixed whenever such action is deemed possible.

**III LIBERAL INTERPRETATION OF REGULATION.** The provisions of this regulation are to be interpreted as liberally as possible. In this regard it is to be borne in mind that the further it is possible to go in the way of promoting legitimate historical research and the study of the foreign policy of the United States without violating the confidences necessary for the transaction of diplomatic affairs, the more likely the Department will be to receive the support and trust of the intelligent public.

### 123.5 Division of Foreign Activity Correlation (FC): (Effective 2-12-47)

**I MAJOR FUNCTIONS.** FC is responsible for the formulation and coordination of Department policy for the collection, evaluation, analysis, research, and dissemination of foreign security information; taking the action necessary to implement this policy; and directing all Departmental programs in this field.

**A Functions.** The Division of Foreign Activity Correlation:

- 1 Formulates Department policy and acts as the Department's sole liaison agent with respect to all matters in the field of foreign security information;
- 2 Represents the Department on all interdepartmental boards and committees in this field;
- 3 Participates in the formulation of the Department's travel policy;
- 4 Directs all Department travel-security programs; and
- 5 Directs and supervises the collection, evaluation, research, and distribution of all foreign documentary security information, including captured enemy documents.

**II ORGANIZATION.** FC consists of:

- A** Security and Control Branch
- B** Military and Naval Liaison Branch
- C** External Security Branch
- D** Administrative Branch

**III BRANCH FUNCTIONS AND RESPONSIBILITY.**

**A Security and Control Branch:**

- 1 Formulates policy, devises procedures and techniques, and organizes special fact-finding facilities abroad in the field of security information.

- 2 Compiles information and participates in the formulation of the Department's travel policy and foreign security programs.

**B Military and Naval Liaison Branch:**

- 1 Maintains liaison with the War and Navy Departments.
- 2 Prepares agreements on establishing military missions abroad.

**C External Security Branch:**

- 1 Directs the collection of and analyzes foreign documentary security information, including captured enemy documents.
- 2 Prepares special reports based on documentary information.

**D Administrative Branch:** Performs the normal administrative functions for the Division.

**IV RELATIONSHIPS.** FC has relationships:

**A** With all Federal security and investigation sources for the interchange of information.

**B** With the National Archives, by Presidential Directive, as the channel for the acquisition of wartime-censorship material.

## Corrigendum

The U.S. delegation to the International Wheat Council, which was announced in the BULLETIN of March 23, 1947, page 532, also includes Leroy K. Smith, Production and Marketing Administration, Department of Agriculture.

## PUBLICATIONS

### Publication on Greece and Turkey

In view of President Truman's proposal for aid to Greece and Turkey the Department of State plans to publish a pamphlet containing information on the subject hitherto made public by the Department of State, the White House, and the Congress, including such material as the following: the President's recommendations to Congress; statement by Warren R. Austin, U.S. Representative to the United Nations; testimony in Congressional committees by Acting Secretary Acheson, by Under Secretary Clayton, and by Chief of the American Economic Mission to Greece, Paul Porter; an address made in Chicago by Loy Henderson, Director of the Office of Near Eastern and African Affairs; questions and answers made public by the Senate Foreign Relations Committee; and a summary of a report by the Porter Mission. This Department of State publication 2802 will be sold by the Superintendent of Documents.

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# *The Department of State*

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*Vol. XVI, No. 406*  
*April 13, 1947*



*For complete contents see back cover*



# *The Department of State* bulletin

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# THE GREAT LAKES FISHERIES CONVENTION

by Durand Smith

*This article presents a historical account of the development of a Great Lakes fisheries convention which is before the Senate Foreign Relations Committee for its consideration.*

Fishing in the Great Lakes is not only a sport; it is an important industry. As a sport it provides recreation and entertainment for countless thousands. As an industry it provides nutritious protein food for the people of Canada and of the United States.

In 1944, the most recent year for which figures are available, the commercial fisheries of the Great Lakes produced for both countries 102,814,000 pounds. The United States share of this catch was 75,687,800 pounds valued at \$10,948,195. A report on operations during 1939 showed that the Great Lakes fisheries employed an estimated 10,296 fishermen from the Province of Ontario and from eight States—New York, Pennsylvania, Ohio, Michigan, Indiana, Illinois, Wisconsin, and Minnesota. They used 567 vessels, 2,640 motorboats, 2,347 non-motorboats and a great variety and amount of fishing gear.

Like other natural resources upon which industries depend, the Great Lakes fisheries need conservation and development. Many species of commercially desirable fish in every one of the Great Lakes are not being caught today in such quantities as in the earlier years of the industry. Sturgeon have almost vanished; the cisco of Lake Erie are approaching extinction; the chubs of the United States waters of Lakes Huron and Michigan are dwindling; the whitefish of Lakes Huron, Michigan, and Superior are badly depleted. The commercial fishermen have had to devote more attention to coarser and less valuable fish. Although the total take has remained fairly constant during the past 30 years, reports indicate that the actual abundance of fish in the Great Lakes has

declined. This fact is particularly significant in as much as fishing pressure has increased; more effort is expended and more efficient gear is employed.

The need for cooperative action on the Great Lakes was recognized more than 70 years ago. The first report issued by the Superintendent of the State Fisheries of Michigan, in 1875, discussed the need for the establishment of uniform fishing laws. The first Great Lakes interstate conference, which was held in Detroit in October 1883, emphasized the lack of regulations. Other interstate conferences in 1884 in Milwaukee and in 1891 in New York took up the question but accomplished little. Other conferences and meetings during the next forty-odd years kept alive the question of uniform laws but failed to contribute much toward establishing them.

Gradually opinion developed toward the necessity for international cooperative action. It was recognized that Canadian participation was essential to success in as much as the Province of Ontario shares with the eight States the jurisdiction of the fish in the boundary waters. President Cleveland in 1897 and President Taft in 1910 and 1911 sent messages and recommendations to the Congress regarding joint control but they did not achieve the desired results.

In February 1938 the Council of State Governments called a meeting attended by 60 public officials from all of the Lake States, from the U.S. Bureau of Fisheries (one of the two predecessor organizations of the present Fish and Wildlife Service of the Department of the Interior), from the Department of State, and from the Province of

Ontario. There was unanimity of view among the State legislators, the directors of State conservation departments, the superintendents of fisheries, and other officials that decisive action was imperative, that the time had come for some form of unified control. The delegates unanimously adopted a resolution urging a treaty between the United States and Canada for the establishment of an International Board of Inquiry whose function would be "to consider and recommend measures for the conservation of the Great Lakes fisheries." Assemblyman W. Allan Newell of the New York Joint Legislative Committee on Interstate Cooperation was appointed chairman of a subcommittee to notify the President. Two paragraphs from his letter dated February 28, 1938, are pertinent:

"This letter is to inform you of the action of the conference in unanimously recommending a treaty and to urge that you bring this matter to the immediate attention of the Secretary of State in order that there may be no delay in beginning treaty discussions with the proper Canadian authorities. . . .

"I know that the delegates will appreciate your good offices in urging that the Department of State take immediate action in carrying out the wishes of the conference."

The Governments of the United States and Canada under an agreement signed February 29, 1940, established the International Board of Inquiry for the Great Lakes fisheries to study the taking of fish from the Great Lakes, to make a report of its investigations to the two Governments, and to make recommendations as to methods for preserving and developing the fisheries of the Great Lakes. Twenty-nine public hearings were held throughout the Great Lakes region in which some 1,500 public officials, commercial fishermen, and sportsmen participated. On August 6, 1942, the Board of Inquiry submitted its report to the Secretary of State calling attention "to the need for an effective program for the conservation and development of the Great Lakes fisheries and recommending joint action for that purpose by the Governments concerned".

The report was submitted by Hubert R. Gallagher of the Council of State Governments, who acted as chairman; A. G. Huntsman of the Fisheries Research Board of Canada; D. J. Taylor of the Game and Fisheries Department of Canada;

and John Van Oosten of the Fish and Wildlife Service.

A supplemental and considerably longer report was submitted by the United States members of the Board. Attention was given to data submitted by 670 licensed commercial fishermen of the United States who had an average of 21.4 years of experience on the Great Lakes. It was significant that the commercial fishermen themselves felt directly the deterioration of the resources.

The reports were then carefully studied by the Department of State and by the Fish and Wildlife Service. Agreement was reached that only through coordinated action of all the governments—State, Federal, Provincial, and Dominion—could the recommended measures be made effective.

Work commenced on the drafting of a convention. Representatives of the Governors of the eight States, members of the respective conservation departments, invited by the Department of State, advised and took part in the development of the convention. A number of their suggestions were incorporated in the treaty proposals. Throughout the hearings, the negotiations with Canada and the drafting of the convention, the Department of State adhered to the principle that the States should maintain the fullest independence of action compatible with effective conservation and development of the fishery resources.

On April 2, 1946, the convention was signed in Washington—on behalf of the United States by Dean Acheson, Acting Secretary of State; on behalf of Canada by Lester B. Pearson, the Ambassador, and by H. Francis G. Bridges, the Minister of Fisheries. President Truman, on April 22, 1946, submitted it to the Senate for the advice and consent of that body to ratification. The convention was referred to the Committee on Foreign Relations, where it awaits consideration.

The convention provides for an International Commission which would formulate and recommend specific fishery-research programs of observation and studies; it requires that the Commission plan for the effective management of the fishery resources of the Great Lakes. It provides also that the Commission may make regulations, if technical reports point to their desirability, fixing (a) open and closed seasons; (b) open and closed waters; (c) the size limits for each species

*(Continued on page 675)*

# THE GENERAL CONFERENCE OF UNESCO, PARIS

## The Program in Action

by Herbert J. Abraham

*The article below discusses policies which are guiding the course of UNESCO in its development, giving particular attention to the role of the national commissions in that organization. This is the second in a series of three articles. The first, which appeared in the BULLETIN of March 2, 1947, reviewed the program of UNESCO adopted at the first session of the General Conference held at Paris, November 19–December 10, 1946.*

The activities of UNESCO (United Nations Educational, Scientific and Cultural Organization), during the first three months of its existence, have largely been limited to recruiting a staff and defining practicable objectives within the limits of a \$6,000,000 budget. It is therefore too early to state in detail the steps which UNESCO will take in giving effect to the numerous projects which were approved by the General Conference. However, certain policies which will guide the operations of UNESCO have been determined, both in the Constitution of UNESCO and by action of the General Conference.

### Three Functions of UNESCO

The functions of UNESCO are commonly described in a threefold classification; the two main functions would be to provide services and to stimulate action by related groups, while a third function of conducting "operations" would be undertaken to a limited degree.

For example, in such a project as the improvement of textbooks, UNESCO may employ a small staff, including temporary consultants, to draft a model procedure for the analysis of books, to prepare illustrative materials on the treatment of international organizations, and to analyze the findings of the study. To this extent UNESCO might be said to be conducting an operation. But

the main function, in this case, would be the stimulation of cooperating national groups to undertake their own studies, to draft their own illustrative materials, and to report on their findings and recommendations. The illustration can be generalized with reference to many other phases of the program.

The American Delegation at the Conference suggested a somewhat different description of functions, which was adopted by the Program Commission. In this analysis the term *projects* was substituted for the term *operations*. According to this classification, a threefold distinction of UNESCO functions can be made along the following lines: UNESCO provides certain continuing services, as for example the assembling and publication of useful statistics; secondly, UNESCO stimulates and supports the activities of other organizations; and, thirdly, UNESCO initiates and exercises general direction over a number of significant projects, in the conduct of which UNESCO mobilizes all available resources on an international scale. Under this latter classification, for example, the whole program for the improvement of textbooks would be a single project, incorporating the stimulation of other groups to cooperative activity.

In both of the foregoing classifications one fact stands out: Only a small part of UNESCO's pro-

gram will be put into effect by UNESCO's own permanent secretariat; active participation by many persons in many countries will be needed. How this cooperation is to be organized is a major problem which, it is hoped, will be solved this year.

### **Organization of the Secretariat**

The General Conference recognized that an experimental period would be necessary before the administrative system could be suitably adapted to the novel functions of the Organization. The Conference accordingly refrained from prescribing a scheme for the organization of the Secretariat. Instead, a resolution was adopted, the essence of which is contained in a single sentence:

"The General Conference resolves that:

"Subject to the approval of the Executive Board, the Director-General shall be responsible for developing an efficient Organisation and for adapting it to changing programmes and needs."

The resolution, however, calls attention to "facts, directives, and principles which shall guide the Director-General and the Executive Board in carrying out this task."

That the Conference was particularly concerned lest the Secretariat be frozen into a number of specialized bureaus and that it recognized clearly the necessity for organizing world-wide cooperation are demonstrated by the following extracts from its resolution:

"The administrative system should be so designed as to prevent the development of segmentalised activities and programmes, and to encourage the integration of all efforts towards the Organisation's supreme objective of contributing to peace and security and the common welfare of mankind through the development of understanding among the peoples of the world. To effect this purpose, the Director-General should have continual regard to the need for the coordination and planning of programmes in the light of budgetary requirements.

"In addition to programme, administrative, legal, and other traditional-type divisions, the Organisation should provide means for the task of enlisting the support of the peoples of the world through their own voluntary organisations and associations.

"While each director of a major programme

division should be assigned in his field the functions of research, stimulation of services, liaison, and operation, it should be emphasised that many of Unesco's activities will require joint action by several or all divisions on a task-force or continuing basis. There should be as few programme divisions as practicable."

If the organization of the Secretariat proceeds along the lines of the American Delegation's conception of "projects", UNESCO will have a nuclear staff of administrative officers and administrators of continuing services, together with a considerable number of experts recruited for short-term service as "task forces". Without some such plan, it is dubious whether UNESCO could attract the ablest scholars, scientists, and educators to its service, and so avoid bureaucratic debilitation. Perhaps remarkable administrative skill will be needed if this policy is to be carried out without impairing the organization's efficiency, in the customary sense of that term.

### **The Role of National Commissions**

UNESCO, viewed as the center of a network of international collaboration, has three kinds of direct relations: first, with the United Nations itself and with the other intergovernmental agencies; secondly, with non-governmental international associations such as those of educators, scientists, and scholars; and, thirdly, with its member states.

The Constitution of UNESCO provides that member states should take steps to associate non-governmental groups with the work of the organization. Article VII of the Constitution requires that each state "shall make such arrangements as suit its particular conditions", but the formation of a national commission is recommended. National commissions, where they exist, "shall act in an advisory capacity to their respective delegations to the General Conference and to their Governments in matters relating to the Organisation and shall function as agencies of liaison in all matters of interest to it." It was anticipated, apparently, that national commissions would engage in some positive activities, going beyond their advisory functions, for the Constitution provides that "the Organisation may, on the request of a Member State, delegate, either temporarily or permanently, a member of its Secretariat to serve on

the National Commission of that State, in order to assist in the development of its work."

The question arose at the Paris Conference whether UNESCO should initiate positive steps to bring about the establishment of more national commissions in states where none or few such bodies exist. There was even a suggestion that UNESCO might give some financial assistance to this end. Since essentially domestic matters were involved, however, the Conference restricted itself to requesting member states to implement article VII, and authorized the Director-General to grant to member states "all the assistance—other than financial assistance—which they may require, in order to establish National Commissions or national cooperating bodies."

Governments, of course, will be requested to take appropriate action, such as giving approval to recommendations of UNESCO and accepting draft conventions. Governments which have highly centralized educational systems will play a larger part in such matters as the revision of curriculum and teaching materials than will our own. Foreign Offices, ministries of education, and other appropriate agencies, e.g., the U.S. Office of Education will be concerned with UNESCO's program so far as it affects national policy. Governments, too, must vote the money which permits UNESCO's Secretariat to perform its functions.

It is expected that in most countries, however, the chief instruments of collaboration with UNESCO will be a national commission or recognized cooperating bodies.

The question of the channels of communication between UNESCO and domestic groups and individuals was discussed which raised the subsidiary technical question of whether a national commission, through its own officers in its communication with UNESCO, represents its government, or whether such communications must pass through an established "Ministry". This question is left to be determined by each member state in accordance with its particular practices.

The larger problem presents an obvious difficulty. If national commissions are to enlist support for UNESCO and to mobilize intellectual and cultural resources in UNESCO's service, they must be effectively recognized by UNESCO's Secretariat as the competent bodies for these purposes. It would be unfortunate if the Secretariat were to develop extensive programs of cooperation

with domestic associations and institutions without using the national commission as its agency of liaison. On the other hand, an ineffective or inadequately staffed national commission might become a bottleneck instead of a channel.

The General Conference foresaw this problem, and resolved that UNESCO "will keep each National Commission informed of its connections in the country of that Commission and will come to an agreement with the Commission on all general questions." The Executive Board was requested to examine fully the question of national commissions and to communicate its study to the member states.

The Program Commission recognized in its reports that national commissions would be responsible for putting into effect many of its recommendations: "The Secretariat should arrange for the study of these materials with the assistance of National Commissions and other national bodies" in conducting the program for the improvement of textbooks and other teaching materials. In the study of social tensions, "UNESCO should have regular recourse to the National Commissions wherever appropriate." National commissions are to be requested to submit observations on copyright. It is requested that states accepting the convention for facilitating the international circulation of visual and auditory materials of an educational, scientific, and cultural character shall use the national commission in carrying out the obligations of the convention. National commissions are to be consulted in selecting works to be recommended for translation.

Such typical examples demonstrate explicit references in the reports of the General Conference to the role of national commissions. Further collaborative effort by national bodies is evidently needed in other fields. Twenty-seven special committees or panels of experts, for example, are called for in the report, few of which could proceed far in their studies without large-scale help from competent national bodies. Such help is equally necessary if UNESCO is to serve ultimately and effectively as a clearing house of information or stimulate the international exchange of personnel.

#### **The U.S. National Commission for UNESCO**

The United States has always stressed the importance of the national commissions in the work of UNESCO. The law which authorized Ameri-

can acceptance of membership in UNESCO included a provision for the creation of such a body. Of the 100 members of the U.S. National Commission, 60 are nominated by national organizations, 40 by the Secretary of State. The method of selection illustrates the duality of UNESCO itself—an intergovernmental organization which is to promote collaboration of non-governmental associations and private persons. The range of the organizations represented, extending to labor organizations, farm associations, women's civic organizations, youth-serving bodies, religious groups, and agencies of mass communication, reflects the intention to make of UNESCO an organization which will foster international understanding among people of all walks of life.

The Secretariat of the U.S. Commission is supplied by the Department of State and is integrated with the small staff which administers the relations between the Government and UNESCO. The authorizing legislation did not prescribe the functions of the Commission beyond reference to article VII of UNESCO's constitution. The Commission has interpreted its functions in its by-laws, as follows:

“(a) to advise the Government of the United States in matters relating to UNESCO and in all matters referred to the Commission by the Secretary of State;

“(b) to act in a consultative capacity with regard to the appointment of the United States delegates to the General Conferences of UNESCO;

“(c) to advise with the Delegations of the United States to the General Conferences of UNESCO with regard to the activities of the latter;

“(d) to serve as an agency of liaison with organizations, institutions and individuals in the United States which are interested in matters relating to the activities of UNESCO;

“(e) to promote an understanding of the general objectives of UNESCO on the part of the people of the United States.”

At its first meeting, held September 23–26, 1946, the Commission advised the Government on matters relating to the first meeting of the General

Conference.<sup>1</sup> Patterns of consultation have thus been established. Questions held for further consideration at the second meeting were how the Commission could effectively serve as an agency of liaison and also how it could promote an understanding of the objectives of UNESCO.

Two means for attaining those objectives were provided for by the Congress in Public Law 565. The Commission was instructed to call “general conferences for the discussion of matters relating to the activities of the Organization, to which conferences organized bodies actively interested in such matters shall be invited to send representatives”. Further, the Commission was authorized to call a special conference of experts.

#### **The National Conference**

The first National Conference was held in Philadelphia, March 24–26, 1947. Approximately 500 organizations accepted invitations to send delegates at their own expense. Meeting in plenary sessions and in 14 section meetings, the Conference received reports on the program of UNESCO and considered ways in which American participation could be advanced through the actions of organizations and by community activities.<sup>2</sup>

The members of the National Commission took part in the Conference, and were thus enabled to take full account of its proceedings and recommendations at their own meeting, which was held immediately afterwards.

#### **Educational Rehabilitation and Reconstruction**

UNESCO has an emergency function to perform—the mobilizing of assistance for the war-devastated countries. Essentially, the methods by which this task is performed are identical with those required by the general program. The Secretariat does not engage in direct relief activities. It provides services, collects and publicizes information about needs, brings donors into touch with recipients, gives advice, and stimulates action by national groups. It works through international welfare agencies and through governments and national commissions. Through these channels, UNESCO hopes to procure goods and services and money to the value of 100 million dollars.

In this country the moral obligation of American organizations to give assistance was soon recognized, and a nation-wide non-governmental

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<sup>1</sup> *United States National Commission for UNESCO: Report on the First Meeting.* (Department of State publication 2726.)

<sup>2</sup> A report on the National Conference will appear in an early issue of the BULLETIN.



## Moscow Meeting of the Council of Foreign Ministers:

### Economic Principles Regarding Germany

#### STATEMENTS BY THE SECRETARY OF STATE

##### Necessity for Economic Unity<sup>1</sup>

There is much that the four of us have agreed is desirable in principle: we agree that German resources should be pooled and equitably shared; that there should be an export-import plan; on the necessity for financial reform; on the need to subject resources in Germany to German law; that German coal, power, and steel should be consumed economically; and that the level-of-industry plan should be reviewed.

But we need to reach agreement on the implementing of political and economic unity. We must agree on the creation of German central agencies and the establishment and scope of a provisional government, on freedom of movement for ideas, persons, and goods, the breaking down of zonal barriers, on reparations, and on sharing the temporary deficit.

We must make certain, however, that when we reach agreement, the agreement means the same thing to all of us. We had a paper agreement at Potsdam, but it has only partially been implemented or made effective. Unless we can have a real meeting of minds and a real desire to carry out both the spirit and the letter of our agreements, it were better none were reached. We must not repeat the experience we have had in implementing the terms of the Potsdam agreement. We can never reach real agreement on the basis of ultimatums or immovable positions.

We regret that the Soviet Delegation found it necessary to state "the acceptance of reparations from current production is an absolute condition of the Soviet Delegation's acceptance of the principle of economic unity." The Potsdam agree-

ment for economic unity was not conditioned on the acceptance of reparation from current production. The United States categorically rejects the imposition of such a condition. It looks very much to us as though the Soviet Union is trying to sell the same horse twice.

The French Delegation also states that "it cannot agree to any settlement of these three questions without prior settlement of the question of export of coal in conformity with the demands of the French Government." While we realize that France was not a party to the Potsdam agreement, we cannot accept her request as a condition to our negotiations.

The United States Delegation recognizes the need of France for coal and of the Soviet Union for consumers' goods. It understands, too, the unwillingness of the British Government to increase the burden upon it of its support of the German people, an unwillingness which the United States shares.

It is not clear that the conflicts inherent in these views can be reconciled, whatever position the United States might take. The Soviet Delegation has suggested that it will be possible for the French to have their coal, and still leave enough coal in Germany to manufacture the reparations the Soviet Government demands. We do not agree. The French Delegation believes that after it has obtained the coal it needs from Germany and has limited steel capacity in Germany to 7½ million tons, it is still worth while to study the question of

<sup>1</sup> Made on Mar. 31, 1947, and released to the press in Moscow on that date and in Washington on Apr. 1.

reparations out of current production. We do not agree.

All Europe needs coal and is dependent on increasing quantities for real recovery. We must all recognize that German coal must be equitably apportioned among the needs of France and other countries of Europe and the needs of Germany itself.

It is suggested that the deficit in German balance of trade, which the United States and Great Britain are making good, could be avoided. This could only be accomplished immediately, which is the Soviet proposal, by reducing imports. Since the bulk of German imports are foodstuffs, this action would inevitably reduce German per capita consumption to about 1,100 calories a day, which is inadequate over any considerable period of time to sustain life. Does the Soviet Government make this proposal seriously? Even at the present time the ration standard in Germany includes only 1,550 calories per day, or 1,000 calories below the rate set in the level-of-industry agreement of March 26, 1946.

The people of Europe lack the elementary necessities of life. This lack can be filled only by the production of goods of all kinds. A reasonable increase in the level of industry in Germany will help in time to produce more goods. With the four-power treaty which we have proposed guaranteeing the continued demilitarization of Germany, a reasonable increase in the level of industry should not endanger European security, but should contribute materially to European recovery.

The United States is opposed to policies which will continue Germany as a congested slum or an economic poorhouse in the center of Europe. At the same time, we recognize that Germany must pay reparations to the countries who suffered from its aggression. Within these limits, we want Germany to use its resources of skilled manpower, energy, and industrial capacity to rebuild the network of trade on which European prosperity depends; ultimately, it desires to see a peaceful Germany, with strong democratic roots, take its place in the European and world community of nations.

These are the reasons for the position taken by the United States on the questions covered in this section of the Coordinating Committee's report. At a later stage of the agenda, the United States will put forward again its proposal for four-power

guaranty of security. And in connection with its view on increasing the productivity of Europe, it will later indicate how it believes the agricultural resources of the part of Germany placed under Polish administration at Potsdam can be more effectively developed and used to meet the needs of Europe for food. At this time, however, and on this subject the United States Delegation stands for economic unity, a common plan to balance exports and imports at a livable standard in Germany, and increase in the level-of-industry plan to bring German productive plants more into line with the requirements of Europe, and with this, the quick completion of reparations so as not to enmesh the powers who deserve reparations in continuous controversies among themselves and with Germany.

Of all these points in the United States proposals, primary emphasis is attached to the treatment of Germany as an economic unit which was agreed at Potsdam. Our representatives in Berlin have been trying for 20 months to get that agreement implemented. The United States is still trying. It desires the treatment of Germany as an economic unit because it does not wish to see Germany partitioned. If Germany is divided, each half will require strengthening to exist independent of the other. Two strong halves of Germany may then emerge, later to be fused into a revitalized and militant Germany. The permanent partition of Germany is dangerous to the peace of Europe and of the world.

Moreover, a partitioned Germany means a partitioned Europe. While Germany contains but 65 million of the 350 million people of Europe, they live at its center. The United States wants one Germany because it wants a Europe which is not divided against itself.

We must not permit our differences to stand in the way of European recovery. Because the United States Delegation accepts some of the proposals here made does not mean that we are not ready to review sympathetically any reasonable proposals which may be made to implement the program on which we have embarked together. We all are here to resolve and not to accentuate our differences. But we should not seek agreement merely for the sake of agreement. The United States recognizes that its responsibilities in Europe will continue and it is more concerned in building solidly than in building fast.

## Proposal Regarding Provisional Government for Germany<sup>2</sup>

*Secretary Marshall made the following proposal with regard to the question of provisional government for Germany at the Council of Foreign Ministers meeting on April 2:*

In view of the extent of our apparent agreement and the necessity of moving ahead in this direction, I intend to propose and do now propose that the Council of Foreign Ministers instruct the Allied Control Council as follows:

1. To proceed to establish a plan for a provisional German government representative of the *Länder* with authority to:

*a.* Direct and coordinate central departments in the fields set forth in the Potsdam agreement and such other fields as have been or may be agreed to by the Allied Control Council.

*b.* Initiate the processes of the framing of the permanent democratic constitution.

*c.* Recommend a pattern of permanent territorial organization for the *Länder* in the future German state.

2. To insure that the basic human rights and freedoms contained in federal and *Länder* constitutions will be realized and that the autonomous powers of both state and central governments are guaranteed.

3. To define the relationships between the Allied Control Council and the provisional government and between the zone commanders and the provisional government.

*During the course of the meeting April 2 Secretary Marshall said at one point:*

I would like to make a general comment before you go into detailed paragraphs. In general, the United States Delegation is not opposed to the points expressed by the British Delegation as to the stages. However, we would prefer that the provisional constitution should be in fact a charter from the Allied Control Council so Germany can devote its real attention to the permanent constitution. We are apprehensive that the preparation of a provisional government and holdings of election for its officials will prove a lengthy procedure. That is why I proposed initially the Council of Minister Presidents of the several *Länder*. It would provide a quick way of secur-

ing provisional government of a democratic character to serve while a permanent constitution is being prepared for ratification by the German people, and prepare the way for the election of constitutional officials of the government.

The United States Delegation accepts the British proposal as to stages with the reservation, at least for the time being, that we are not as yet convinced of the necessity of a provisional constitution and would like further consideration of the necessity for delay in the framing of the permanent constitution.

*At another point, he said:*

I would like first to say with reference to Mr. Bevin's observation regarding the American Delegation's reluctance regarding a provisional constitution, that our principal doubt or objection relates to the time factor involved. We would prefer to see a provisional government gotten under way without unreasonable delays that are involved in the drafting and accepting of the constitution. For that reason, we prefer the idea of a charter. For example, we want a provisional government, composed at the top of representatives of the *Länder*, set up as soon as economic unity is established. In the American zone the representatives of the *Länder* have been elected. In some other zones I believe not. We would prefer, in this case, to accept the present representatives rather than the delay for the purpose of an election. It is our conception that this provisional government promptly established would be charged with the preparation of a constitution for the permanent system of government which, of course, would be subject to amendment, as Mr. Bevin has suggested. If this were agreed to, we would have no objection to instructing the provisional council to consult the political parties, trade unions, and other democratic bodies in preparing the draft of the constitution, but we are opposed. As I understand, the British Delegation is opposed to having this body, which is drafting the constitution, include other than representatives of government rather than other agencies not purely governmental.

Now, with reference to certain of Mr. Molotov's comments, our proposal regarding majority vote is intended to deal with a very practical situation. We plan to set up a German government. As the

<sup>2</sup> Made in Moscow on Apr. 2, 1947, and released to the press in Washington on Apr. 3.

German government cannot be controlled unless we are unanimously agreed, the German government would have authority in effect to use its own judgment whenever there was disagreement in the Allied Control Council. That would in effect make the German government the arbiter of our differences. For example, suppose the Allied Control Council could not agree in regard to the allocation of coal. Would we then leave the proposal to the German government to decide or would shipments of coal cease until problematical unanimous vote was secured?

With regard to paragraph 1 of Mr. Molotov's two written proposals, I am not sure from his statement if it is his proposal and desire that the Allies should draw up a constitution for Germany or if he subscribes to the principles that the German people should draw up their constitution with Allied assistance or supervision. There was mention made of the Weimar constitution, but we in the American Delegation do not wish to get into an argument as to what part of the constitution we approve and what part we do not. Rather we want to know the view of the German people today. The second paragraph of Mr. Molotov's proposal is acceptable to the United States Delegation.

It seems to me that the discussion has been helpful, whatever the difficulties of reaching agreements here. We cannot agree on certain general

principles without running the risk that our various interpretations of them may cause harm rather than to help the Allied Control Council in working out the details. We have to be certain that we thoroughly understand each other before we reach an agreement with any possibility of a real agreement resulting. Therefore, I suggest as a possible course of action that we refer all of our proposals to the Allied Control Commission so that they can work out both the principles and the details together. I would, therefore, modify the proposal I stated today for a directive to the Allied Control Council, and in its place suggest that the Council be instructed to study and formulate a plan for a central administrative agency and for a provisional government in the light of our several proposals and the discussion we have had here. This plan could become effective if approved by each of our governments separately, or after consideration and approval at our next meeting.

*At a third point, he said:*

Before commenting on the last statement of Mr. Molotov's, I would like to say he has given too broad an interpretation to my proposal for a majority vote; it was not intended to apply to the general deliberations of the Allied Control Council but only to those actions in approving or disapproving the acts or proposed acts of the German government which may come before it.

## Level of Industry and Reparations From Current Production

### STATEMENT BY THE SECRETARY OF STATE<sup>1</sup>

The Potsdam agreement and the agreed level of industry fixed under its terms did not provide for any reparations from current production. Present demands to increase the reparations agreed at Potsdam cannot be considered by the United States.

The implementation of this agreement, however, will, in any case, require a review of the level-of-industry plan of March 26, 1946, to take into account the following considerations:

#### 1. The maintenance of a tolerable standard of

<sup>1</sup> Statement circulated at the Apr. 3 meeting of the Council of Foreign Ministers, and released to the press in Washington on Apr. 4.

living for the German people, as provided in the Potsdam agreement, without external assistance, making adequate provision for:

- (a) The population of Germany foreseen in 1949;
- (b) The possible loss to Germany of existing resources (e. g., the Saar);

2. Internal inconsistencies in the plan, such as, for example, the shortage of power to meet planned requirements, the inadequacy of planned provisions for certain basic chemicals, some fertilizers, and possibly steel.

The Soviet and British Delegations have indi-

cated that they favor a substantial increase in the level of industry.

The United States Delegation believes that a further increase is desirable to serve the peacetime needs of Germany and of Europe. Although we do not believe it is possible, without further study, to indicate quantitatively what this would mean for specific German industries, a directive to the Allied Control Council for review of the level-of-industry plan should, in addition to the two points mentioned above, also require consideration of:

3. The peacetime requirements of European countries for German products and trade revival.

It must be recognized that further increase in the level of industry will reduce the number of plants available for removal on reparation account. If proposals for reparations from current output are to be considered, these proposals must,

in our view, be limited to compensation for the plants which were destined for removal but which are no longer available by reason of an increase in the level of industry to aid the European economy.

If reparation from current output is conceived in this way, the United States Delegation is willing, without commitment, to have its experts study this question.

Any plan for providing such compensation must not increase the cost of occupation, retard the repayment of Allied advances to Germany, retard the establishment of a self-supporting Germany, nor could it be permitted to prevent the equitable distribution of coal and other raw material in short supply among the countries dependent upon these resources. It could not become operative until economic and political unity as well as the other related objectives have been attained.

## German Assets in Austria

### STATEMENT BY THE SECRETARY OF STATE<sup>1</sup>

1. Yesterday I indicated that the United States Delegation did not agree with the position Mr. Molotov has taken in his paper on German assets in Austria. We do not admit that title to German assets has already passed; however, as I have already pointed out in the paper which the United States Delegation circulated on March 21 on this subject, we feel that it is not essential that this question of title be decided now.

2. Without prejudice to the ultimate decision by the Council of this question of title and in the interest of clearing the way for the deputies to make some progress with consideration of this all-important subject, let us assume for the sake of discussion that the question of title has been decided one way or the other; in either event further clarification of the three points raised in my memorandum appears to be essential.

A. Definition

B. Arbitration

C. Application of Austrian law

3. Now let me discuss briefly what I mean by a definition. I don't mean the definition under article X of law 5, but instead I am trying to make certain that we understand just what assets the

Soviet Union think they should have title to as a result of the Potsdam decision on German assets. From our 20 months' experience in Austria, we believe there is a misunderstanding on this score and that in some instances there have been erroneously included in the definition of German assets property which is really Austrian and which was taken away from the Austrians by the Germans after the *Anschluss* by force or duress, and other property belonging to United Nations and their nationals. In our views, none of the Allies intended at Potsdam to transfer title to German assets which were taken from the victims of Nazi aggression and which justice and equity demand be returned to them. I am sure you will admit that discussion of this subject by our deputies will be extremely useful.

4. As to my second point, "arbitration", let us again take a hypothetical case in which not only the question of title but also the question of definition have been agreed to. Certainly, as we have provided for other settlement of disputes in the satellite treaties, may we not likewise direct our

<sup>1</sup> Made on Mar. 27, 1947, and released to the press in Moscow on that date, and in Washington on Mar. 31.

deputies to provide for such a settlement on this question of German assets in the Austrian treaty?

5. My last point has to do with the status in Austria of German assets transferred as German reparations. Again we may assume that we have satisfactorily agreed to the other questions enumerated above, that German assets to which the Soviet Union is entitled have been transferred. Certain Austrian law applies to these properties. It never was intended at Potsdam that properties obtained as German reparations even in Germany would enjoy extraterritorial rights. Mr. Molotov in his discussion of economic principles in Germany on March 19 states as follows, and I quote:

"In accordance with the Berlin decisions, the Soviet Government took measures so that reparations would be obtained from the eastern zone of Germany, a proportion of which has been assigned to Poland. Reparations took the form of remov-

als of capital equipment, deliveries from current position (though these have hardly been sufficient) and the taking of economic enterprises into Soviet possession. No extraterritorial rights are involved with respect to these Soviet-owned enterprises in Germany, since they all function under German law".

It would appear inconsistent not to admit that this same principle would apply in Austria. If it is held that it does not, the United States Delegation would feel very definitely that to remove a large segment of Austrian industry from the Austrian economy would nullify the pledge we have taken in the very first article of the treaty, namely, our unanimous agreement to reestablish a sovereign and independent state. I ask my colleagues to agree to instruct our deputies to discuss and clarify this as well as the other vital questions enumerated.

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effort to coordinate and stimulate this work was under way before the U.S. National Commission was created. The Commission for International Educational Reconstruction (CIER), representative of many cooperating bodies, was established and was furnished with a small secretariat.<sup>1</sup> In order to relate the CIER to the U.S. National Commission, the Chairman of the National Commission has recognized CIER as the competent body to handle matters relating to American participation in the work of educational rehabilitation and reconstruction. The CIER, however, is not an operating body; essentially it performs on a national scale the functions for educational rehabilitation which UNESCO performs internationally. The operation of collecting and transmitting needed educational equipment and supplies, providing fellowships, and obtaining some gifts of money rests with the cooperating national organizations and their local branches.

<sup>1</sup>The office of the CIER is at 744 Jackson Place, Washington, D.C. The Executive Secretary is Dr. Harold E. Snyder.

#### **Conclusion**

The effectiveness of the program of UNESCO will be measured by the increase in international collaboration of private groups and individuals and by the increase within member countries of educational activities contributing to the purposes of UNESCO. UNESCO must therefore give a high priority to the problem of the methodical organization of related cooperation and participation. The Secretariat may well be viewed not merely as the administrative arm of a relatively small organization, but as the nerve center of a vast international interlocking of collaboration in education, science, and culture. The establishment of methods of systematic collaboration will take some time, and these necessary preliminaries will not be spectacular. UNESCO probably will seem to be rather slow in getting much of its program under way. But much will have been achieved this year if, by the time the General Conference reconvenes at Mexico City in November, this groundwork has been laid and preliminary studies and activities have been initiated on an international scale.

## Accomplishments of Fourth Session of the Economic and Social Council

### STATEMENT BY ACTING U.S. REPRESENTATIVE IN EC OSOC<sup>1</sup>

During its Fourth Session, the Economic and Social Council has come to grips with certain basic problems underlying world economic recovery and social advancement. Because they are basic, these problems cannot be solved completely in three weeks, or three years. At this session, however, the Council has created specific machinery which, if used effectively and with mutual determination and good-will, can greatly facilitate international cooperation for the solution of some of the fundamental problems. Positive steps taken at this session include the following:

The Economic and Social Council has created two regional economic commissions, the Economic Commission for Europe and the Economic Commission for Asia and the Far East. In establishing these commissions, the United Nations is adopting a new approach to the problem of putting the war-devastated areas of the world back on their feet. These commissions represent a practical method of achieving multilateral cooperation, through the United Nations, on concrete problems of reconstruction. To this joint effort, the United States attaches major importance.

The commissions will be composed of the countries members of the United Nations in the areas concerned. The United States is also a member of both commissions. Other countries will also be invited to consult with the commissions on matters of particular concern to them. Working relationships will also be established with the specialized agencies such as the Food and Agriculture Organization, and with the International Bank for Reconstruction and Development and the International Monetary Fund.

It will be the task of the Economic Commission for Europe to work on practical matters, such as

measures to insure the most effective utilization of the inadequate European coal supplies and the better coordination of the means of inland transport. The commission's terms of reference are broad. They call for facilitating "concerted action for the economic reconstruction of Europe" and for "raising the level of European economic activity." This commission will absorb, and thus bring within the framework of the United Nations, many of the emergency post-war functions which have been performed up to now by the Emergency Economic Committee for Europe, the European Coal Organization, and the European Central Inland Transport Organization.

No similar organizations have existed in the Far East. The commission in that area will therefore have to perform a considerable amount of preparatory investigation concerning the most urgent reconstruction problems.

The experiment with regional commissions is a new departure. The Economic and Social Council, however, will maintain general supervision over their work in order that the activities of the regional bodies may be effectively integrated with the broader policies and programs of the United Nations. The terms of reference of both commissions provide for supervision by the Council and full reports to the Council on the commissions' activities.

The commissions are designed primarily to facilitate reconstruction. For this reason provision is made for special review within five years to de-

<sup>1</sup> Issued to the press by Leroy D. Stinebower, Acting U.S. Representative, on Mar. 27, 1947. The statement was released to the press by the U.S. Delegation to the United Nations.



termine whether they should be discontinued or maintained on a revised basis.

The measure of agreement obtained in this Council session on the creation of these important bodies is a heartening step forward. No such agreement existed at the previous session of the Council. The intervening months have demonstrated that through patient, often undramatic, work, agreement can be reached on fundamental issues.

With regard to long-range problems of world economy, this Council session has brought a healthy airing of views. Specific action in this connection includes approval of the significant report of the Economic and Employment Commission, containing the instructions this commission has given to two other bodies which can mean much in the long view—the subcommissions on Economic Development, and on Employment and Economic Stability. The Council is suggesting a practical basis of work for these two bodies. It is requesting the Economic and Employment Commission, working through these subcommissions, and with the assistance of the Secretariat, to probe the underlying causes of economic instability; to take up such matters as the reasonable utilization of manpower, materials, and capital on a world scale, and with particular reference to underdeveloped areas; and appropriate forms of joint action to maintain full employment.

The United States attaches equal importance to these twin questions of economic development and stable employment. It welcomes this joint approach to matters which will be the continuing business of the United Nations. For advancing the economic well-being of peoples throughout the world is a matter which is limited by no horizon.

In the field of human rights, the Council is taking constructive steps. One of these is the expediting of the plans of the Commission on Human Rights for getting to work on the preliminary draft of an international bill of rights. Another significant step is the bringing into existence of two highly important subcommissions—on Freedom of Information and of the Press, and on Prevention of Discrimination and Protection of Minorities.

One of the first tasks of the Subcommission on Freedom of Information and of the Press will be the preparation of a draft agenda for the world conference on freedom of information. To this

conference the United States attaches the highest importance. With proper preparation, this conference can become a milestone in advancing a basic human right which is of especial importance to the world at the present time—the right of the people to know. There is no more solid a basis for mutual understanding than an informed world public opinion.

The fourth session of the Economic and Social Council is significant for another reason. For the first time the Council had before it reports from all its commissions (except for the Fiscal Commission), which held their first meetings just prior to the Council session. This gave the Council the opportunity to review its responsibilities in a more comprehensive manner than has been possible to the present time. Recommendations of these commissions, being approved by the Council, include the making of special studies by the Secretariat in both economic and social fields, special advisory services to be set up under the United Nations, and conferences to be held on specific subjects under United Nations auspices. In the field of social welfare provision has been made to carry on some of the advisory functions of the United Nations Relief and Rehabilitation Administration. The International Children's Emergency Fund is to be administered under the general review of the Council, and the international regulation of the traffic in narcotic drugs has been taken over as a responsibility of the United Nations.

On the initiative of the United States the Council will convene an international conference on resources and conservation, and a World Statistical Congress. The conservation conference will probably be held in 1948. The World Statistical Congress will be held in Washington in September, 1947, in connection with sessions of a number of international professional groups scheduled for that time and place. This congress will focus the attention of the world's leading statisticians present upon the statistical activities and needs of the United Nations and specialized agencies.

The Economic and Social Council is getting on with its tasks of promoting the conditions of economic and social progress and development, and respect for the dignity and worth of the individual which must underlie any stable and enduring peace.



## Summary Statement by the Secretary-General

### MATTERS OF WHICH THE SECURITY COUNCIL IS SEIZED AND THE STAGE REACHED IN THEIR CONSIDERATION<sup>1</sup>

Pursuant to Rule 11 of the Provisional Rules of Procedure of the Security Council, I wish to report that as of 28 March 1947, the Security Council is seized of the following matters:

9. Incidents in the Corfu Channel

10. Draft Trusteeship Agreement for the Former Japanese Mandated Islands.

The stage reached in the consideration of Items 1 through 6 is set forth in document S/279. The stage reached in the consideration of Items 7 to 10 is as follows:

7. *The Greek Question* (See also Document S/279)

At the request of the Representative of the United States the Greek Question was placed on the Agenda of the one hundred and twenty-third meeting on 28 March 1947. A statement was made by the Representative of the United States and the Council decided to continue the discussion at a meeting to be held on 7 April.

8. *The General Regulation and Reduction of Armaments and Information on Armed Forces* (See also Document S/279)

The Commission for Conventional Armaments was convened on 24 March 1947 and commenced its task under its terms of reference.

9. Incidents in the Corfu Channel

The discussion was resumed at the one hundred and seventh meeting on 18 February and continued at the one hundred and ninth, eleventh and fourteenth meetings on 19, 24 and 27 February, the Representative of Albania participating. The Council adopted a resolution submitted by the Representative of Australia to appoint a Sub-Committee of three members to examine all the available evidence and to make a report on the facts of the case as disclosed by such evidence.

The Report of the Sub-Committee (document S/300) was discussed at the one hundred and

twentieth, twenty-first and twenty-second meetings on 20, 21 and 25 March. Draft resolutions were submitted by the Representatives of the United Kingdom and Poland at the one hundred and twentieth and twenty-second meetings, respectively. The Representative of the United Kingdom accepted amendments submitted by the Representatives of the United States and France at the one hundred and twenty-first and twenty-second meetings.

At the one hundred and twenty-second meeting the amended United Kingdom draft resolution was put to a vote and received seven votes in favour, two against with one abstention. Since it did not receive the affirmative vote of one of the permanent members of the Council it was not adopted. The Representative of Poland withdrew his draft resolution.

10. *Draft Trusteeship Agreement for the Former Japanese Mandated Islands*

By cablegram dated 13 March 1947 (document S/297), the New Zealand Government requested that those members of the Far Eastern Commission not represented on the Security Council (namely, Canada, India, the Netherlands, New Zealand and the Philippines) be invited under Article 31 of the Charter to participate, if they so desired, in the discussion in the Council. By letter dated 12 March (document S/299) the Indian Government requested to be invited. At the one hundred and eighteenth meeting the Council decided to grant these requests.

The discussion was continued at the one hundred and nineteenth and one hundred and twenty-third meetings on 17 and 28 March with Representatives of Canada, India, the Netherlands, New Zealand and the Philippines participating.

The Council adjourned until 2 April.

<sup>1</sup> Security Council Document S/314, Mar. 28, 1947. This summary supplements the one printed in the BULLETIN of Mar. 23, 1947, p. 527. The omitted parts correspond substantially to the material formerly printed.

# INTERNATIONAL ORGANIZATIONS AND CONFERENCES

## Calendar of Meetings<sup>1</sup>

<b>In Session as of April 6, 1947</b>		
Far Eastern Commission. . . . .	Washington . . . . .	<b>1946</b> Feb. 26
United Nations:		
Security Council . . . . .	Lake Success . . . . .	Mar. 25
Military Staff Committee . . . . .	Lake Success . . . . .	Mar. 25
Commission on Atomic Energy . . . . .	Lake Success . . . . .	June 14
Telecommunications Advisory Committee . . . . .	Lake Success . . . . .	Nov. 10
		<b>1947</b>
Commission on Conventional Armaments . . . . .	Lake Success . . . . .	Mar. 24
Trusteeship Council. . . . .	Lake Success . . . . .	Mar. 26
German External Property Negotiations (Safehaven):		<b>1946</b>
With Portugal . . . . .	Lisbon . . . . .	Sept. 3
With Spain . . . . .	Madrid . . . . .	Nov. 12
Inter-Allied Trade Board for Japan . . . . .	Washington . . . . .	Oct. 24
Council of Foreign Ministers . . . . .	Moscow . . . . .	<b>1947</b> Mar. 10
International Wheat Conference . . . . .	London . . . . .	Mar. 18-. Temporarily adjourned; will reconvene Apr. 14
WHO (World Health Organization): Third Session of Interim Commission.	Geneva . . . . .	Mar. 31
<b>Scheduled for April-June 1947</b>		
Interparliamentary Union: 36th Plenary Session . . . . .	Cairo . . . . .	Apr. 7-12
UNESCO Executive Board . . . . .	Paris . . . . .	Apr. 9
International Conference on Trade and Employment: Second Meeting of Preparatory Committee.	Geneva . . . . .	Apr. 10
International Red Cross Committee. . . . .	Geneva . . . . .	Apr. 14-26
ECITO (European Central Inland Transport Organization): Seventh Session of the Council.	Paris . . . . .	Apr. 14
United Nations:		
Meeting of Experts on Passport and Frontier Formalities . . . . .	Geneva . . . . .	Apr. 14
Permanent Central Opium Board . . . . .	Geneva . . . . .	Apr. 14
Committee on Progressive Development and Codification of International Law.	Lake Success . . . . .	May 1
Preparatory Conference of Experts on Telecommunications.	Lake Success . . . . .	June 9 <sup>2</sup>
ECOSOC (Economic and Social Council):		
Subcommission on Statistical Sampling. . . . .	Lake Success . . . . .	Apr. 14 <sup>2</sup>
Subcommission on Protection of Minorities and Prevention of Discrimination.	Lake Success . . . . .	Apr. 21 <sup>2</sup>
Fiscal Commission . . . . .	Lake Success . . . . .	Apr. 28 <sup>2</sup>
Subcommission on Freedom of Information and of the Press.	Lake Success . . . . .	May 5 <sup>2</sup>
Social Commission . . . . .	Lake Success . . . . .	May 26 <sup>2</sup>
Economic and Employment Commission . . . . .	Lake Success . . . . .	June 9 <sup>2</sup>

<sup>1</sup> Prepared in the Division of International Conferences, Department of State.

<sup>2</sup> Tentative.

## Calendar of Meetings—Continued

United Nations: ECOSOC—Continued		
Human Rights Commission . . . . .	Lake Success . . . . .	June 16 <sup>2</sup>
ICAO (International Civil Aviation Organization):		
European-Mediterranean Special Air Traffic Control Conference.	Paris . . . . .	Apr. 15
Interim Council . . . . .	Montreal . . . . .	Apr. 29
Air Transport Committee . . . . .	Montreal . . . . .	April
First Meeting of General Assembly . . . . .	Montreal . . . . .	May 6
South American Regional Air Navigation Meeting . . . . .	Lima . . . . .	June 17
International Tin Study Group: First Meeting . . . . .	Brussels . . . . .	Apr. 15-18
Fifth International Hydrographic Conference . . . . .	Monaco . . . . .	Apr. 22
ILO (International Labor Organization):		
Industrial Committee on Coal Mining . . . . .	Geneva . . . . .	Apr. 22
Industrial Committee on Inland Transport . . . . .	Geneva . . . . .	May 6
101st Session of Governing Body . . . . .	Geneva . . . . .	June 13
30th Session of International Labor Conference . . . . .	Geneva . . . . .	June 19
American International Institute for the Protection of Childhood: Meeting of the International Council.	Montevideo . . . . .	Apr. 25
International Meeting of Marine Radio Aids to Navigation . . . . .	New York and New London . . . . .	Apr. 28-May 10
FAO (Food and Agriculture Organization):		
International Timber Conference . . . . .	Marianske-Lazne, Czechoslovakia . . . . .	Apr. 28-May 10
Rice Study Group . . . . .	Trivandrum, Travancore, India . . . . .	May 15
IRO (International Refugee Organization): Second Part of First Session of Preparatory Commission.	Lausanne . . . . .	May 1
Congress of the Universal Postal Union . . . . .	Paris . . . . .	May 6
International Radio Conference . . . . .	Atlantic City . . . . .	May 15
IEFC (International Emergency Food Council): Fourth Meeting.	Washington . . . . .	May 26-27
IARA (Inter-Allied Reparation Agency): Meeting on Conflicting Custodial Claims.	Brussels . . . . .	May
Eleventh International Congress of Military Medicine and Pharmacy.	Basel . . . . .	June 2-7
Caribbean Commission . . . . .	Jamaica . . . . .	June 23-30

<sup>2</sup> Tentative.

## Activities and Developments»

### WOOL STUDY GROUP ADOPTS TERMS OF REFERENCE AND PRESENTS CONCLUSIONS <sup>1</sup>

During the past week, representatives of Australia, Argentina, Belgium, Canada, Cuba, Czechoslovakia, Finland, France, Iceland, Ireland, Mexico, Italy, the Netherlands, New Zealand, Paraguay, Peru, Poland, the Union of South Africa, Switzerland, Turkey, the United Kingdom, Uruguay, the United States of America, and

<sup>1</sup> Released at conclusion of Wool Study Group meeting in London on Apr. 3, 1947, and in Washington on Apr. 4.

Yugoslavia, together with observers from the United Nations, the Food and Agriculture Organization, and U. K./Dominion Wool Disposal, Ltd., have participated in the first meeting of the Wool Study Group.

The principal objects of the meeting have been:

- (i) To consider the organization of the study group;
- (ii) To review the world wool situation in the light of the changes since the International Wool Conference held in London in November 1946; and
- (iii) To exchange information about domestic wool problems and policies.

The study group has adopted terms of reference, of which the principal features are that membership should be open to all countries substantially interested in the production, consumption, or trade in wool; that the group shall have the responsibilities for considering possible solutions to any problems or difficulties which are unlikely to be resolved by the ordinary development of world trade in wool; and that the group shall arrange for any necessary collation or collection of statistics, using for this purpose existing sources so far as practicable.

It is apparent that total stocks of wool remain very large, in spite of the achievement of a very high level of consumption during 1946-47. The International Wool Conference last November concluded that the absorption of stocks into final consumption, alongside the new clips of 1946-47 and later seasons, must still present a formidable problem. No material change in this respect can be recorded.

Bearing in mind the desirability of the coordination of national wool policies the study group has invited the participating governments to consider further the question of special studies regarding such coordination.

The present review indicates that the 5,000 million pounds in stock at the 13 June 1946 [sic] were about equally divided between governmental organizations and commercial holdings, whilst a year later the total estimated stocks of about 4,500 million pounds are expected, on the basis of present conditions, to be held as to about 55 percent commercially. These stock figures compare with total estimated production in 1946-47 of 2,905 million pounds and total estimated consumption of 3,395 million pounds.

## U.S. DELEGATION TO PREPARATORY COMMITTEE FOR INTERNATIONAL CONFERENCE ON TRADE AND EMPLOYMENT

The Department of State announced on April 4 the list of United States Delegates to participate in the second meeting of the Preparatory Committee for the International Conference on Trade and Employment, which was to open in Geneva on April 10.

The Geneva Conference will work toward the completion of a draft charter for an International Trade Organization under which an international code of conduct in world trade would be established. At the same time it will also conduct tariff negotiations for the removal of barriers to world trade and the elimination of discriminatory trade practices between nations.

Non-governmental views on the proposed charter for the international organization were gathered at several recent informal hearings held throughout the country under the auspices of the Executive Committee on Economic Foreign Policy. These views will assist the American Delegation in its work at Geneva.

Chairman of the U.S. Delegation is William L. Clayton, Under Secretary of State for Economic Affairs. Vice Chairman is Clair Wilcox, Director of the Office of International Trade Policy of the Department of State.

The U.S. Delegation is composed of:

### *Department of State*

Robert S. Abbott  
Julean Arnold, Jr.  
Charles L. Aulette  
Wilson T. M. Beale  
Winthrop G. Brown  
Robert M. Carr  
Margaret R. T. Carter  
Du Wayne Clark  
William A. Fowler  
Homer S. Fox  
Merrill C. Gay  
Amella H. Hood  
John M. Leddy  
Kathleen Molesworth  
Edwin G. Moline  
Daniel J. Reagan  
Joe Adams Robinson  
Robert J. Schaezel  
John F. Shaw  
Constant Southworth  
Robert P. Terrill  
Roger W. Tubby  
Clair Wilcox

Mary C. Williford  
Robert B. Wright

### *Department of Agriculture*

George B. L. Arner  
John A. Hopkins  
Montell E. Ogdon

### *Department of Commerce*

Philip M. Copp  
Robert P. Donogh  
Winifred R. Maroney

### *Navy Department*

Capt. W. B. Thorp

### *Tariff Commission*

George S. Ayres  
Louis S. Ballif  
Howard Barker  
Prentice N. Dean  
John B. Howard  
Anthony B. Kenkel  
David Lynch  
Loyle A. Morrison

## U.S. DELEGATION TO INTERNATIONAL TIMBER CONFERENCE OF FAO

[Released to the press April 31]

Acting Secretary Acheson announced on April 3 that the President has approved the composition of the United States Delegation to the International Timber Conference, called by the Food and Agriculture Organization, which is scheduled to begin on April 28, 1947, at Mariánské Lázně (near Praha), Czechoslovakia. These nominations were submitted upon the recommendations of the Secretary of Agriculture, Clinton P. Anderson; the Secretary of Commerce, W. Averell Harriman; and the Acting Secretary of State, Dean Acheson. The following comprise the United States Delegation:

### *Chairman of the Delegation*

Donald D. Kennedy, Chief, International Resources Division, Department of State

### *Delegates*

Theodore Geiger, Administrative Officer, Mission for Economic Affairs, American Embassy, London

Edward I. Kotok, Assistant Chief, Forest Service, Department of Agriculture

Joseph L. Muller, Acting Chief of the Forest Products Division, Office of International Trade, Department of Commerce

The FAO, as the only United Nations agency in the field of forestry, proposed the convening of this meeting as the first step in developing a program for forestry and forestry products. Con-

cerned solely with the lumber problem in Europe, the Conference is the first of three regional meetings scheduled to be held this year, the other two to take place in South America and Asia. All three conferences are to lay the groundwork for a world timber conference which will be held later. The United States and the American republics have been invited to the European meeting, since those countries are in a position to relieve deficiencies and since the United States is a supplier of lumber machinery.

Thirty-four governments and five international agencies have been invited to send representatives. The Conference is expected to last about eight or ten days.

The following Governments are invited: Austria, Belgium, Brazil, Bulgaria, Byelorussian Soviet Socialist Republic, Canada, Chile, Czechoslovakia, Denmark, Egypt, Finland, France, Greece, Hungary, Iraq, Ireland, Italy, Liberia, Luxembourg, Mexico, Netherlands, Norway, Palestine, Poland, Portugal, Rumania, Sweden, Switzerland, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Kingdom, United States, Venezuela, and Yugoslavia.

The international agencies invited are: the Economic and Social Council of the United Nations, the International Bank and Fund, the International Labor Office, the Emergency Economic Committee for Europe, and the Pan American Union.

## UNESCO: A Proposal to History

BY ASSISTANT SECRETARY BENTON<sup>1</sup>

Mr. Chairman and Delegates to the National Conference on UNESCO:

It is altogether fitting that this great National Conference should meet at this time—and in this city.

We are met to consider how the United States of America can effectively assist in carrying out the program of the United Nations Educational, Scientific and Cultural Organization (UNESCO). And what is UNESCO? UNESCO, as its name states, is an organization—and an instrument for constructive action. But UNESCO is more than an organization and an instrument. It is a symbol. It is a declaration of faith. UNESCO is a proposal to history.

Let us educate ourselves for peace: let us share with each other the knowledge and understanding which will fit us to live together in a free and just and peaceful society. That is UNESCO's proposal. It is UNESCO's proposal to all men everywhere. It is UNESCO's proposal to the men of today and the men of tomorrow. It is a proposal to history.

And it is most fitting that we declare our faith at this time, and in this place.

Philadelphia is a city in which men have declared great purposes and noble doctrines. The founders of the American Republic here made a proposal to history. They declared that all men have inalienable rights to life, liberty, and the pursuit of happiness. Their words animate the cause of liberty today. It was here that the founders of this Republic established "a more perfect union", a free government which has outlived all the ancient tyrannies which then prevailed.

<sup>1</sup>Made before the National Conference on UNESCO in Philadelphia on Mar. 24, 1947, and released to the press on the same date.

Here then in Philadelphia, by looking back at history, we may take courage to look forward into history and propose boldly to all men in all countries that they *learn* together how they can *live* together, in freedom and in peace.

You represent the constructive forces of our country. The 500 organizations which sent you here are devoted to the peaceful arts. Your organizations are engaged in work that creates, preserves, and strengthens the fabric of social life. Here you are proclaiming your purpose to unite with your fellows in other lands, and, in cooperation with them, to create, to preserve, and to strengthen the fabric of an enduring international community.

On behalf of the Government of the United States, I affirm to your fellows in other lands that our Government is resolved to work unceasingly toward this end.

Up to the present time 30 states have demonstrated their hope for the principles for which UNESCO stands by accepting membership in UNESCO. Membership is open to every member of the United Nations. I regret that some members of the United Nations have not yet joined. I hope that they will soon take their place within UNESCO.

Our Congress has recognized that UNESCO can succeed only as non-governmental groups and private individuals carry out at home, within their own borders and in their own communities, the programs which UNESCO undertakes. That is why you are here. This National Conference is held with the official authorization and support of the Government of the United States and at the express order of Congress.

The United States has thus taken the lead in giving effect to article VII of the Constitution of UNESCO: "Each Member State shall make such arrangements as suit its particular conditions for

the purpose of associating its principal bodies interested in educational, scientific and cultural matters with the work of the Organisation, preferably by the formation of a National Commission broadly representative of the Government and such bodies." Congress instructed the Secretary of State to establish such a National Commission. Its membership consists of representatives of 50 national organizations (the number shortly to be increased to 60), and 40 outstanding individuals designated by the Secretary of State. But Congress wished to enlarge still further the base of popular participation in the work of UNESCO. Accordingly the National Commission was instructed to call from time to time a large national conference at which all organizations interested in UNESCO can be represented. The Department of State is sometimes said to be a somewhat slow-moving outfit. I may thus perhaps be forgiven for pointing with some pride to the fact that the National Commission had been selected and had held its first meeting within two months of the passage of the act of Congress; and this large National Conference is being held before the National Commission has held its second meeting.

Our Government is also attempting to carry out the broad aims of UNESCO through the program of the Office of International Information and Cultural Affairs in the Department of State. It is the purpose of this office to give to foreign peoples a truthful picture of the United States, its people, and their aspirations. Through this office, radio programs are broadcast to many parts of the world, in 25 languages. Documentary films about American life are distributed abroad through our Embassies and Legations. These are currently being seen by more than 8,000,000 people a month. Daily bulletins are sent to our representatives abroad, containing texts of important statements and official documents, and background information. The office works closely with private American organizations to facilitate the exchange of students, professors, and specialists between the United States and other nations. It maintains small American information centers and libraries abroad, which were visited by 3,000,000 people in the past year. Public-affairs officers have been stationed in our Embassies and Legations who serve as interpreters of American life and thought.

The United States conducts only a modest program in these fields, compared with some other

countries. Even this modest program is now in mortal danger and may be legislated out of existence by the present Congress. Many believe this is a probability, even though in fact the program should be greatly enlarged. There are large areas of the world whose people have no other source of accurate information about the United States. Because of ignorance or misrepresentation, we are the object of suspicion and distrust.

The work of the Office of International Information and Cultural Affairs is consistent with—and is a major expression of—our support of the principles of UNESCO. If you believe with me that spending money for the building of peace through understanding is true economy, I urge you to make your belief known. How, except through the development of world understanding, can we hope to remove from the bent backs of the peoples of the world the crushing burden of the cost of armaments? The proposed budget for the Office of International Information and Cultural Affairs is only one fourth of one percent of the budget for our Army and Navy; and the current budget for UNESCO is, I would estimate, no more than one one-hundredth of one percent of the world's military expenditures.

Yet these activities—in scientific, educational, and cultural fields—to promote so intangible a thing as understanding—are vital to the security, indeed to the continued existence, of the human race. I solemnly declare that this National Conference can give a new hope that men can liberate themselves from war. In such a declaration I do not think that I can be accused of being wholly and entirely an impractical dreamer. If there is not such hope in this conference, there is indeed no hope at all. That idea, I believe, must be accepted even by the species known as "hard-headed businessmen". UNESCO is a hard-headed and practical proposal to history. But as yet it is only a proposal. As a baby in arms, it is not yet hard-headed.

Let me now examine first what UNESCO is going to do; second, how UNESCO fits in with the political realities of the present time; and, third, what this National Conference can do about and for UNESCO.

First, what will UNESCO do? I do not propose to review UNESCO's current program in any detail. That program was worked out at the first meeting of UNESCO's General Conference at



Paris last November and December. It is described in the report by the American Delegation to the conference. In broad outline, there are four main lines, or fronts, on which UNESCO proposes to advance.

First, and for the short range, UNESCO will give all the help within its limited power to the countries that have been devastated during the war; countries whose teachers have been massacred and schools destroyed; countries that lack pencils and paper for their primary schools, and libraries and equipment for their universities. UNESCO is not itself a relief organization but it will help to organize assistance from those fortunate people—such as ourselves—with resources still available.

A second front for UNESCO is the very long-range job of helping the underdeveloped or backward countries raise their level of education. How can the world hope for unity when half or more of its people are cut off from the reservoirs of knowledge? UNESCO hopes to bring to these people expert help and technical advice in their efforts to raise their educational standards. It proposes to help establish institutes for the scientific study of the resources of tropical lands. It will send out teams of scientists and establish centers for the dissemination of scientific information and skills.

A third line of action is a frontal attack upon the unwarranted suspicion and misunderstanding that poison the relationships of nations which, in spite of their literacy and their scientific knowledge, now live under the shadow of conflict. UNESCO proposes to bring together those persons who directly influence ideas—the teachers, the leaders in press and radio and films, the leaders of popular organizations such as those you represent—and it will seek agreement among them on ways to promote a genuine international understanding. As a part and parcel of this great enterprise, UNESCO must develop and advocate agreements to break down the barriers which now obstruct the free flow of international communication. Further, UNESCO must stimulate an increase in the interchange of persons between countries, and persons from every walk of life.

The fourth big job proposed for UNESCO is to promote cooperation among leaders in the arts and sciences for the increase of men's knowledge about themselves and their world, and for the enrichment of their cultural heritage.

I now turn to my second question: How does UNESCO fit into the political realities of the present day? It is quite obvious that UNESCO is an easy mark for cynical criticism. I can imagine, for example, three lines of attack which would occur even to a moderately bright youngster. I will put them this way: First, UNESCO is a pigmy which is trying to make war against giants; second, this pigmy has lots of fanciful notions but no well-thought-out strategy; third, our little pigmy is only shadow-boxing, anyway, because the real giants which must be fought are in a very different part of the forest.

Now there is basis for this criticism, as there must always be basis for propaganda if it is to take hold. UNESCO is a pigmy: its budget, for this year, of \$6,000,000 is about as much as a couple of large libraries spend in a year; \$6,000,000 wouldn't buy a light cruiser.

Further, there *is* a danger that UNESCO may go off in all directions or waste much of its money on unrelated trivialities. Finally, it is true that UNESCO really has little to contribute to the settlement of the most urgent, most immediate, the most vexing problems of the immediate moment; they are in a very different part of the forest.

But that is only part of the story. Let me look at these points again.

UNESCO is a very small organization. It is a fledgling organization. It was the considered judgment of the Paris General Conference that UNESCO could not in its first year efficiently and economically expend more than \$6,000,000. It must get more, very much more, if it does work that is worth doing, and if the people know that it is doing work worth doing. Remember, too, that UNESCO is being weaned at a time when many countries are impoverished beyond endurance. They are now giving to UNESCO all that is within their power. And remember, too, that UNESCO will multiply its resources to the extent that governments and private organizations themselves carry out UNESCO's programs.

But will UNESCO avoid a program of confusion and triviality? The conference at Paris sought an underlying strategy, a strategy which would pull together UNESCO's many proposed projects. This problem is not yet resolved, nor is the strategy yet clear for all to see. There is a very real danger that UNESCO may spread itself thin and become a catch-all for pet schemes. It

may fragmentalize itself among the special and deeply vested interests of scientists, philosophers, historians, film producers, teachers, and so forth. We here assembled must recognize this danger, and guard against it. We should, all of us, cultivate a large view of UNESCO's program, and display both patience and tolerance about our own pet ideas. In pressing one set of proposals on UNESCO, it is easy to underestimate the importance of others. Many scientists have a very understandable feeling that the importance of their work on an international scale is not understood by outsiders. I share their view that over a period science must play a major role in UNESCO; but some philosophers may quarrel with me on that. I myself have frequently stated, and shall continue to state, that UNESCO must make full use of radio, for it seems obvious to me that ordinary people can best be reached through the media which ordinary people use. Does such advocacy mean that I do not understand the importance of the public schools? And so it goes. We must develop more understanding among ourselves if we wish to accelerate international understanding.

The third criticism is the most serious current charge against UNESCO: Is it tilting against windmills while the giants are elsewhere? Should the peoples of the world now be concentrating their attention on those political and economic disputes and difficulties which are the most immediate causes of war? Let us clearly recognize that UNESCO offers no panacea for these diseases. UNESCO is not a substitute for a foreign policy, or for the Security Council of the United Nations. We cannot resolve today's crisis by today's lesson in the schoolroom.

That is true.

And yet it is a fatal error to mistake the immediate necessity of foreign policy for its basic long-range aims. We were compelled by Axis aggression to wage a war for freedom. To wage a war was necessary, but it was not our basic aim. Our basic aim was then, and is now, to establish a lasting peace based on justice and mutual understanding among free peoples. We must never lose sight of this aim. We must be prepared to spend real money on it. We must double and redouble our efforts to achieve it, no matter how discouraging any circumstances may be. For this is the fundamental purpose toward which foreign policy of all governments should be directed today.

People don't want to live forever in a state of mutual hostility and sporadic destruction. Wherever men get together to talk over the state of the world, the upshot is bound to be something like this: We are going to kill each other off unless the human race learns to live together in some kind of orderly world society.

To which UNESCO replies: Start learning now. Do not continue to play ostrich.

UNESCO, I have said, is a declaration of faith. That faith is, quite simply, that men *can* in fact learn: learn not only new facts but also new attitudes, new ways of looking upon their fellow men in other lands, new habits of working together, new rules for ordering their common affairs, and new methods of settling their disputes. And UNESCO is a proposal: Start learning now. Keep at it. Go from kindergarten right through to the Ph.D. degree, as a preparation for the life of learning that is to follow. But start learning now.

As I address UNESCO's proposal to you, the delegates to this National Conference on UNESCO, I would add two more words which apply to you personally and to your organizations: Start learning and *teaching* now.

I suppose that is the essence of the answer to some of the questions which have probably been on your minds, as they certainly have been on mine. What is going to come out of this conference? What difference will it make? What are you going to do about and for UNESCO? It is a long, long time before UNESCO can do anything for you.

I should like to offer a few suggestions by way of expansion of my injunction that you go forth and teach.

First, I urge you to take this injunction literally. Learn about UNESCO while you are here. Consider its fundamental aim, inform yourselves about its program. If you have come with a special interest in one phase of UNESCO's program, read the few documents we have given you and get a total picture of the organization and its total objectives. UNESCO is desperately short of people who can tell the American people authoritatively what it is all about. UNESCO needs interpreters.

Then get out information to the members of your organizations. Remember the injunction of Hosea, "Take with you words and turn unto Him". Get

(Continued on page 670)

## State, War, and Navy Program for the Interchange of Persons

### Germany

[Released to the press March 31]

The Department of State, War Department, and Navy Department announced on March 31 a policy permitting the interchange of certain categories of persons between the United States and Germany. The policy is intended to further the democratic reorientation of the German people and the resumption of inter-cultural contact set forth in the "Long-Range Policy Statement for German Re-education", published in the United States on August 21, 1946.<sup>1</sup> The arrangement of projects and the selection of individuals in accordance with this policy will be made in consideration of specific needs in the fields of education and religion, and in fields important to the forming of public opinion, such needs to be determined by the State and War Departments and the Office of Military Government in Germany.

The program to be developed under this policy is conceived as a cooperative undertaking of the United States Government and of private institutions and organizations interested in furthering democratic reeducation and reconstruction in Germany. In the planning and executing of projects best designed to serve the general purposes of the policy, the assistance of private institutions and organizations active in the fields of education, religion, and information will be enlisted. The extent to which the United States Government will participate financially will depend upon the availability of funds.

Under the provisions of this policy, United States experts and specialists may visit Germany to advise and work with leading German personalities in the following fields: formal and extracurricular education; religion; public information, including press, radio, and film; civic, welfare, youth, and other social organizations; occupational and professional organizations; art, letters, music, and the stage. For the time being, because of the shortage of facilities and teachers, and because of overcrowded conditions at German educational institutions, it will not be possible for United States students to visit Germany for the purpose of studying at German educational insti-

tutions. It is contemplated that there will be brought to the United States a carefully selected group of German specialists in the aforementioned fields to observe practices in this country; trainees for specialized training, including persons of outstanding promise about to enter upon, or in the early years of, their active careers in the aforementioned fields; and students to study at American institutions.

Only such persons will be selected for this program as can be expected to further, through their trips, the work of the U.S. military government and to play a constructive part in the revival of German cultural life and in the reorientation of the German people toward peace and democracy. German nationals will be expected to meet established security requirements; they must have a satisfactory record with regard to past and present political activities and affiliations. Preference will be given to persons who have demonstrated their opposition to Nazism and their belief in democratic principles. Such persons will be brought to the United States in order to complete a carefully planned program generally lasting between six and twelve months, and they must return to Germany when the program has been completed.

The trip of each individual must be recommended or sponsored by a recognized American non-Governmental agency or institution, or by an agency or institution of the United States Government. The participation of democratic German elements in the recommendation or invitation of candidates under this program is contemplated. The eligibility of each person and that of his sponsor under the provisions of this policy, the length of his stay, and the program for his visit must be approved by the State Department, the War Department, and the U.S. military government in Germany.

United States private institutions and organizations desiring to participate in the program may do so either by paying the expenses of United States experts proceeding to Germany under the terms and for the purposes of this policy, or by paying the expenses, providing placements for training, and furnishing accommodations in the United States for experts, trainees, and students from

<sup>1</sup> See BULLETIN of Sept. 1, 1946, p. 428.

Germany. Offers for training and accommodation of Germans in the United States will be of maximum value to the program when they are made in terms of training which can be provided for persons of a specified type, rather than by designating specific individuals whom it is desired to accommodate. Where individuals are specified, each case will be considered on its merits within the framework of the policy as a whole and in consideration of the general program of cultural exchanges developed by the Department of State.

The number of persons admitted under the auspices of this policy and under the one concerning Austria will be determined by the nature and scope of programs developed, by the facilities and placements offered by the participating agencies, and by the extent of funds available for the execution of such programs.

Inquiries concerning the program and offers of applications for participation by private organizations and individuals should be addressed to the Civil Affairs Division of the War Department.

#### **Austria**

[Released to the press March 31]

The Department of State, War Department, and Navy Department announced on March 31 a policy permitting the interchange of certain categories of persons between the United States and Austria. The policy is intended to further the reestablishment of normal cultural relations with Austria, to assist Austria in the restoration and maintenance of a democratic state and society, and to strengthen the ties of mutual understanding between the two countries. Arrangements of projects and selection of individuals in accordance with this policy shall be in consideration of specific needs in the fields of education and religion, and fields important to the forming of public opinion, such needs to be determined by the State and War Departments, and the United States military authorities in Austria in consultation with the Austrian Government or with recognized Austrian organizations and institutions.

The program to be developed under this policy is conceived as a cooperative undertaking of the United States Government and private institutions and organizations interested in furthering democratic reconstruction in Austria. In the planning and execution of projects best designed to serve the general purposes of the policy, the as-

sistance of institutions and organizations active in the fields of education, religion, and information will be enlisted. Within the general framework of the program established by the Government, projects financed wholly from private sources may be undertaken at once. There are no Government funds available during the current fiscal year which may be used for the purposes of this program. Such funds are being requested from Congress as a part of the War Department appropriation for the fiscal year beginning July 1, 1947. They will be used, if available, to supplement private funds in the financing of particular projects. Government projects will be planned so that together with those wholly or partially financed by private funds they will constitute a balanced program.

Under the provisions of this policy, United States experts and specialists may visit Austria to work with leading Austrian personalities in the following fields: education; religion; informational and related fields of activity, such as press, radio, and films; civic, welfare, youth, and other social organizations; occupational and professional organizations; art, letters, music, and the stage. United States professors and teachers may visit Austria to accept temporary teaching assignments at Austrian educational institutions. For the time being, because of the shortage of facilities and teachers, and because of overcrowded conditions at Austrian educational institutions, it will not be possible for United States students to visit Austria for the purpose of studying at Austrian educational institutions.

It is contemplated that there will be brought to the United States a carefully selected group of Austrian specialists in the afore-mentioned fields to observe practices in this country; trainees for specialized training, including persons of outstanding promise who are about to enter upon or who are in the early years of their careers in such fields; and students to study at United States educational institutions. Only such persons will be selected for this program as can be expected to play a part in the revival of Austrian cultural life and in Austrian democratic reconstruction. Austrian nationals coming to the United States must have a satisfactory record as regards past and present political activity and affiliation, and preference will be given to persons who have demonstrated their opposition to Nazism and their belief

in democratic principles. Such persons will be brought to the United States in order to complete a carefully planned program generally lasting between six and twelve months, and they must return to Austria when the program has been completed.

The trip of each individual must be recommended or sponsored by a recognized American non-Governmental organization or institution, or by an agency or institution of the United States Government. The participation of suitable Austrian representatives in the recommendation and invitation of Austrian nationals to visit the United States under the program is also contemplated. The eligibility of each person and that of his sponsor under the provisions of this policy, the length of his stay, and the program of his visit must be approved by the United States military authorities in Austria, the War Department, and the Department of State.

United States private organizations and institutions desiring to participate in the program may do so either by paying the expenses of United States experts proceeding to Austria under the conditions and for the purposes of this policy, or by paying the expenses, providing placements for training, and furnishing accommodations in the United States to experts, students, and trainees from Austria. Offers for training and accommodation of Austrians in the United States will be of maximum value to the program when they are made in terms of training which can be provided for persons of specified type rather than by designating specific individuals whom it is desired to accommodate. Where individuals are specified, each case will be considered on its merits within the framework of the policy as a whole and in consideration of the general program of cultural exchanges developed by the Department of State.

Inquiries concerning the program and applications for participation by private organizations and individuals should be addressed to the Civil Affairs Division, War Department, Washington, D.C.

The foregoing program, which will provide for exchanges of an important category of persons between the United States and Austria, does not, however, indicate a relaxation of the present general restrictions on travel to Austria which have

been imposed by the Allied occupation authorities because of the current exigencies of food, housing, and transportation. The United States desires the removal of all obstacles to the normal private interchange of all categories of persons between the United States and Austria at the earliest possible date, and restrictions will be removed as rapidly as is consistent with the welfare of Austria. It is hoped that steps in this direction may be taken upon the conclusion of the Austrian treaty and the end of the Allied occupation.

### **Alexander B. Daspit Acting Deputy on Tripartite Commission**

Alexander B. Daspit, Deputy U.S. Delegate to IARA, has been authorized to act also as Deputy U.S. Member of the Tripartite Commission for the Restitution of Monetary Gold during any possible absence of Minister Russell H. Dorr from Brussels. Minister Dorr is the United States Delegate to the Inter-Allied Reparation Agency and is Commissioner for the United States on the Tripartite Commission for the Restitution of Monetary Gold.<sup>1</sup>

### **Registration of Shares of Rumanian National Bank**

[Released to the press April 4]

The attention of any American citizen who may hold shares of the Rumanian National Bank is again called to the provisions of the law published on December 28, 1946, nationalizing that institution, which required that shareholders register their shares in order to have compensation fixed for their holdings. The law as published stated that holders who failed to register their shares within a period of 10 days would be reimbursed in accordance with decisions in cases in which filing was done within this period.

The United States Mission at Bucharest was recently informed by the Rumanian Foreign Office that United States shareholders would be given such compensation as may be applicable to shareholders of other nationalities, provided such United States shareholders submit their shares either to agencies of the National Bank of Rumania at Bucharest or to the Rumanian Legation at Washington, not later than July 1, 1947. Under article 17 of the law published on December 28, 1946, no claim for compensation may be made after July 1, 1947.

<sup>1</sup> BULLETIN of Sept. 29, 1946, p. 563.

# Austrian Restitution Laws

[Released to the press April 4]

During the period from September 14, 1946, to March 28, 1947, the Government of Austria has put into effect three laws dealing with the restitution of property which, in connection with the National Socialist assumption of power, was taken away from its owners after March 13, 1938, for so-called racial, national, or other reasons, either arbitrarily or on the basis of laws or other regulations.

The First Restitution Law covers property presently subject to administration by the Federal or state government of Austria (as trustee for the former German authorities). The Second Restitution Law covers property where title has passed to the Federal government of Austria. The Third Restitution Law covers all other cases where property has been taken away, except:

1. Claims of employees;
2. Claims of lessees of apartments and business premises and small-produce gardens;
3. Claims based on the confiscation or the prevention of the exercise of patent rights, or other commercial protection rights, or other intangible property rights;
4. Claims based on public law which fall within the competence of the administration authorities.

It is expected that special legislation will regulate these claims.

Under all three laws claims may be filed for restitution by the original owners of the property. If the original owner shall have died, the spouse, parents, children, brothers and sisters, and nephews and nieces may file claim if the estate has been probated. Failing these heirs, other heirs-at-law may make claim if they had been a part of the decedent's household. Where the estate is in probate the executor or administrator may file claim.

Claims under the First and Second Restitution Laws should be filed with the *Finanzlandesdirektion* for property located within the particular *Finanzlandesdirektion* District. Where property is located within more than one such District, or if the claimant is unable to determine in which *Finanzlandesdirektion* his property is located, the Austrian Federal Ministry for Safeguarding

Property and Economic Planning (*Fundesministerium für Vermögenssicherung und Wirtschaftsplanung*) has agreed to receive claims for forwarding to the competent *Finanzlandesdirektion*. However, it is desirable that as far as possible claims be filed directly with the competent *Finanzlandesdirektion* in order to avoid extra handling and delay.

Claims under the Third Restitution Law should be filed with the appropriate Restitution Commission (*Rückstellungskommission*). A Restitution Commission will be established at each *Landesgericht* (provincial court) having jurisdiction in civil-law matters. Its competence will extend throughout the Federal *Land* in which the *Landesgericht* is located. For Vienna, Lower Austria, and the Burgenland the Restitution Commission will be established at the Court for Civil Matters, Vienna. The jurisdiction of the Commission at the *Landesgericht* Linz-Nord will cover the district of that court.

Claims may be filed by an attorney in fact. The power of attorney must be executed subsequent to April 27, 1945. It should be notarized and sent with county clerk's certificate to the Legation of Austria, Washington, D.C., for authentication. Unauthenticated powers of attorney will not be recognized as valid by the authorities in Austria.

Because of the technical nature of these laws, and because it is the responsibility of the individual claimant to determine under which law his claim should be filed, it would appear desirable that a competent Austrian attorney be empowered to act as attorney in fact. There is on file with the Department of State a complete list of attorneys who have been approved by the Bar Associations of Vienna, Graz, Linz, Salzburg, Klagenfurt, Innsbruck, and Feldkirch.

Neither the Department of State nor, it is understood, the Legation of Austria in Washington is equipped to be of any assistance in the interpretation of these laws or in the filing of the claims. The American Legation at Vienna, likewise, is in no position to file claims or to interpret the restitution laws. However, the American Legation in Vienna will render every possible facility and assistance to the designated agents in Austria of



American citizens. These representatives may call upon the Legation to obtain documents which have heretofore been filed by prospective claimants. In addition, the Legation will send to applicants copies of memoranda prepared by the Austrian Ministry for Safeguarding Property and Economic Planning concerning the method of filing restitution claims under these laws.

It should be clearly understood by persons having claims that any previous filing of papers with the Department of State or the American Legation in Vienna does not constitute a proper filing for the purposes of obtaining restitution under the Austrian laws. Nor does the filing of forms TFR 500 with the U.S. Treasury Department constitute fil-

ing of claim. Furthermore, persons who have merely reported to the Austrian Government, under the Austrian law of May 10, 1945, as amended, the fact that property has been taken away from them, should not regard these statements as proper claims. Claims can be filed only in the form provided for by each particular restitution law.

It should also be noted that the claims together with all their supporting documents must be in the German language.

Claims under the First Restitution Law should be filed before September 14, 1947. Claims filed under the other two laws should be filed within one year after the date of their enactment, or March 28, 1947.

#### **UNESCO: A Proposal to History**—Continued from page 665

into the newspapers and the magazines and radio with your words. The Department of State can only carry a small part of the burden of writing and speaking and publishing. We don't have either money or staff to publicize UNESCO as it should be publicized.

I believe that if a private organization were really convinced that UNESCO matters, if it really took to heart the purpose of building peace through understanding, it would consider appointing an international-relations secretary and give him or her money to do a full-time job. Perhaps several organizations can and will do something like that jointly. There would be plenty for such an official to do. He could get out information bulletins to the membership. He could make program suggestions to local branches. He could develop schemes of international exchanges. He could find people to take part in the projects which UNESCO initiates.

Then the National Commission for UNESCO might call national gatherings of these international-relations secretaries, and thus build up a real network of active and informed leaders.

I know that a few of the organizations represented here have already set up such arrangements. Let us multiply them. I offer this suggestion to the section meeting on community participation, for its consideration. I hope it will bring a recommendation along these lines to this conference.

Every one of the 15 section meetings to be held tomorrow has on its agenda the question: How can American organizations help carry out the program of UNESCO? You will turn up many good ideas. Do not let them die. Carry them back to your organizations, discuss them, get them adopted, and put them into effect.

May I remind you, in closing, that this National Conference is the first such conference ever held anywhere in the world. What is done here, and—even more—what is done as a result of this meeting, will be studied by people in many countries. Other states will be proceeding soon to set up National Commissions. No other state has yet thought to associate with the work of its National Commission the whole array of its popular organizations. If this conference does well, I am sure others will follow our example. What we do here will be remembered long after what we say here is forgotten.

Will men—will history—accept UNESCO's proposal? To the hopeful among you I say, hold fast to the hope, even though our chance of success may not be as great as the chance the Founding Fathers took in this city more than 150 years ago. To the less hopeful among you I say, there is a clear duty upon us to try. What alternative do you propose? And remember the words of William the Silent: "It is not necessary to hope in order to undertake, or to succeed in order to persevere".

## Civilian Communication Between U.S. and British and American Zones in Germany

[Released to the press April 4]

Telephone and telegraph service has been opened, as of April 1, 1947, between the United States and the civilian population of the British and American zones of occupation in Germany. This service does not include the city of Berlin.

Messages may be of a personal or a commercial nature, except that messages which actually carry out business transactions are prohibited for the time being, as are all messages relating to German external assets. All telegrams and telephone conversations will be subject to censorship by the military authorities.

An unlimited number of prepaid messages may be sent *from* the United States to those portions of Germany open for civilian traffic. Traffic *from* German civilians to the United States which is paid for in German currency will be restricted to those messages specifically approved by the military authorities as essential to the purposes of the occupation, including certain commercial messages. It may be possible, however, for a person sending a message from the United States to arrange with the telegraph company to pay for the reply thereto. Such a reply would *not* require special authorization by the military authorities, but would be subject to the rules governing the content thereof as mentioned above.

In other words, telegraph traffic which is paid for in American dollars is acceptable without

limit, subject only to the censorship regulations mentioned above; traffic paid for in German currency, however, is acceptable only as specifically authorized by the military authorities. This restriction is made necessary by reason of Germany's critical foreign-exchange position.

Similar conditions apply to telephone service.

The above regulations do not affect the present service with American military and civilian personnel in Germany.

Similar service has been authorized between the civilian population of the British and American zones and all other countries willing to accept such service, with the exception of Spain, Japan, and their dependencies.

It is hoped that these services may be extended in the near future to other portions of Germany.

## Removal of Currency Controls

[Released to the press by the Treasury Department on April 4]

Secretary Snyder announced on April 4 the removal of Treasury Department controls on the importation of all currency.

As a result of this action, it will no longer be necessary for persons receiving or importing currency of any denomination from foreign countries to submit it to a Federal Reserve Bank for examination under the import controls.

This change was in the form of an amendment to General License No. 87.<sup>1</sup>

<sup>1</sup> 12 *Federal Register* 2249.

## Addresses and Statements of the Week

The Secretary of State	Relating to Questions before the Council of Foreign Ministers. In this issue.	Made in Moscow at meetings of the Council of Foreign Ministers.
Under Secretary Acheson	Questions and answers on aid to Greece and Turkey. Department of State press release 279 of April 3. Not printed.	Made before the Senate Committee on Foreign Relations.
Loy Henderson, Director, Office of Near Eastern and African Affairs	Aid to Greece and Turkey. Department of State press release 285 of April 4. Not printed.	Address made before the Council on Foreign Relations in Chicago, Ill., on April 4.
General Frank R. McCoy, U.S. Member of the Far Eastern Commission	Transfer of Japanese industrial facilities to devastated countries. In this issue.	Statement made at meeting of Far Eastern Commission on April 3.



# Treaty of Friendship, Commerce, and Navigation With China <sup>1</sup>

## THE PRESIDENT'S LETTER OF TRANSMITTAL

THE WHITE HOUSE, *March 20, 1947.*

*To the Senate of the United States.*

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a treaty of friendship, commerce, and navigation between the United States of America and the Republic of China, together with a protocol thereto, signed at Nanking on November 4, 1946. The enclosed treaty is a comprehensive instrument which takes into account the developments in in-

ternational relationships during the past century and is intended to meet effectively the needs of the present day.

I transmit also, for the information of the Senate, a report on the treaty made to me by the Acting Secretary of State.

HARRY S. TRUMAN

(Enclosures: (1) Report of the Acting Secretary of State; (2) treaty of friendship, commerce, and navigation with China, with protocol, signed at Nanking, November 4, 1946).<sup>2</sup>

## REPORT OF THE ACTING SECRETARY OF STATE

DEPARTMENT OF STATE,  
*Washington, March 18, 1947.*

The PRESIDENT,

*The White House:*

The undersigned, the Acting Secretary of State, has the honor to lay before the President, with a view to its transmission to the Senate to receive the advice and consent of that body to ratification, if his judgment approve thereof, a treaty of friendship, commerce, and navigation between the United States of America and the Republic of China, together with a protocol thereto, signed at Nanking on November 4, 1946.

Negotiation of the treaty was carried out pursuant to that part of article VII of the treaty between the United States of America and the Republic of China for the relinquishment of extra-territorial rights in China and the regulation of related matters, signed at Washington on January 11, 1943 (57 Stat., pt. 2, 771), which provides that the two Governments—

“will enter into negotiations for the conclusion of a comprehensive modern treaty of friendship, commerce, navigation and consular rights, upon the request of either Government or in any case within six months after the cessation of the hostilities in the war against the common enemies.”

In accordance with the provision quoted above, the enclosed treaty includes provisions with respect to

the rights of individuals and corporations and with respect to commerce and navigation. It is intended that consular provisions be set forth in a separate instrument.

The present instrument includes provisions which were drafted in the light of suggestions from representative private organizations which have been active in the promotion of cultural and commercial relations with China. Departments and agencies of the Federal Government which deal directly with the subjects covered by the treaty were consulted and gave their assistance in the preparations for the negotiations.

The enclosed treaty, which is basically similar to treaties of friendship, commerce, and navigation now in force between the United States and various other countries, is intended to provide a comprehensive legal framework for relations between the United States and China. It is believed that the treaty offers an adequate basis for the development of cultural, business, and trade relationships to the mutual advantage of the two countries. During the negotiations the Department's endeavor was to draw up an instrument which would be responsive to the needs growing out of the problems and practices of present-day international relationships, particularly to the changes in economic and commercial practices resulting from increasing use of the corporate form of business enterprise. Thus this treaty, as compared with earlier commercial treaties, contains somewhat

<sup>1</sup> S. Exec. J, 80th Cong., 1st sess.

<sup>2</sup> Treaty not printed.

broadened and modernized provisions, so as to make more specific and detailed the rights and privileges of corporations. The wording of the commercial provisions reflects recent experience in the drafting of provisions to protect American exports from the many new and complex forms of trade restriction and exchange control which have come into use since the early 1930's.

The articles of the treaty may be classified, according to subject matter, into the following categories:

- (1) rights of individuals and corporations;
- (2) exchange of goods;
- (3) navigation; and
- (4) general matters.

These categories may be summarized as follows:

(1) *Rights of individuals and corporations.*—As is customary in treaties of friendship, commerce, and navigation, provisions are included with respect to entry, travel, residence, the conduct of designated activities (including those of a commercial, manufacturing, scientific, educational, religious, and philanthropic nature), freedom of worship, protection of property against uncompensated expropriation, access to courts, freedom from unreasonable searches and seizures, compulsory military service, and landholding. Provisions with respect to commercial arbitration are for the first time included in this treaty. More extensive safeguards are afforded against discriminatory exchange control, and greater protection is provided with respect to literary, artistic, and industrial property.

(2) *Exchange of goods.*—In addition to the provisions relating to most-favored-nation treatment as to import and export duties and national treatment as to internal taxation of imported articles, usually included in treaties of this type, the provisions with respect to the exchange of goods include rules applicable to customs administration, quotas and their allocation, exchange control, public monopolies as they may affect trade between the United States and China, and the awarding of public contracts and concessions. With respect to the provisions relating to the exchange of goods, most-favored-nation treatment is generally provided. In accordance with customary practice in the case of treaties of friendship, commerce, and navigation, the present instrument does not contain schedules of duty concessions.

(3) *Navigation.*—Standard articles on navigation, relating to such matters as entry of vessels into ports, freedom from discriminatory port charges, and most-favored-nation treatment with respect to the coasting trade, are contained in the present treaty, in a somewhat revised form. The rules set forth are designed to be applied to public vessels which may be engaged in commerce, as well as to private vessels.

(4) *General matters.*—The treaty provides for certain exceptions to its application, including the usual provisions regarding sanitary regulations and moral and humanitarian measures. Exceptions also are included to give the two parties the requisite freedom of action in times of national emergency and to keep the instrument in general conformity with the articles of agreement of the International Monetary Fund. Other provisions relate to such matters as the territories to which the treaty is to apply, the submission to the International Court of Justice of disputes concerning questions of interpretation or application, and the superseding of provisions of certain treaties now in force between the United States and China.

Provision is made in the treaty for its entry into force on the day of the exchange of ratifications and for its continuance in force for a period of 5 years from that day and thereafter, subject to termination at any time following the 5 year period on 1 year's notice by either Government to the other Government.

It should be noted that the present instrument will not limit or restrict the rights, privileges, and advantages accorded by the treaty between the United States of America and the Republic of China for the relinquishment of extraterritorial rights in China and the regulation of related matters and accompanying exchange of notes, signed at Washington on January 11, 1943.

The protocol, which is to have the same validity as if its provisions were inserted in the text of the treaty, is intended for the purpose of clarifying and construing certain provisions of the treaty.

Approval of the treaty was given by the Legislative Yuan of China on November 9, 1946.

Respectfully submitted,

DEAN ACHESON

(Enclosure: Treaty of friendship, commerce, and navigation with China, with protocol, signed at Nanking, November 4, 1946.)

# Transfer of Japanese Industrial Facilities to Devastated Countries

STATEMENT BY FRANK R. MCCOY<sup>1</sup>

The United States Government has decided to issue an interim directive to the Supreme Commander for the Allied Powers in Japan authorizing him to make immediately available, as advance reparations transfers, Japanese industrial facilities to certain war-devastated countries.

This directive will provide that the four specified countries immediately receive out of the Japanese industrial facilities which the Far Eastern Commission has already decided to be available for removals, certain items capable of immediate employment for relief purposes. Those four countries have been assigned percentages which clearly do not prejudice their own or any other country's interest in final national percentage shares of Japanese reparations. China will receive 15 percent of such facilities; the Philippines, 5 percent; the Netherlands, for the Indies, 5 percent; and the United Kingdom, for Burma, Malaya, and its colonial possessions in the Far East, 5 percent. The United States will receive nothing for itself under the advance transfers program.

The issuance of an interim directive by the United States Government as a matter of urgency is provided for in the Terms of Reference of the Far Eastern Commission: "The United States Government may issue interim directives to the Supreme Commander pending action by the Commission whenever urgent matters arise not covered by policies already formulated by the Commission . . ." <sup>2</sup> (with the exception of reserved subjects which do not include reparations).

All directives, including interim directives, according to the Terms of Reference, are to be filed with the Far Eastern Commission, which is empowered to review them.

The United States Government has concluded that an interim directive on the advance transfers

of reparations fulfils the requirement as to urgency contained in the Terms of Reference. The four states concerned are in extreme need of industrial equipment for the immediate relief of their economies. Protracted delay in removing this equipment is resulting in deterioration of assets usable for relief purposes. Also, delay in initiating any program of actual removals of industrial equipment from Japan has impeded the Supreme Commander's occupation program.

From the establishment of the Far Eastern Commission on February 26, 1946, it has passed a number of important policy decisions on reparations matters. These include a series of decisions determining the availability of capacity within categories of Japanese industry for removal as reparations, a decision providing that Japan is to be assured of retaining designated production capacity within certain industrial levels, and a decision on delivery of reparations goods to claimant countries.

Notwithstanding the importance of these policy decisions the Far Eastern Commission has not reached an agreement as to the assignment of national percentage shares to claimant countries. Hence, no actual removals have taken place.

On February 13, the United States Government submitted to the Far Eastern Commission the proposal embodied in the interim directive which the United States Government has now decided to issue. The United States Government advised the Far Eastern Commission of its view that this was an urgent first move in getting reparations removals started.

The start of actual reparations removals from Japan has now been delayed for over a year. All members of the Far Eastern Commission agree as to the urgency of commencing such removals. Consistent with the Far Eastern Commission's Terms of Reference, the United States Government, therefore, has decided to send to the Supreme Commander as an interim directive the paper on *Advance Transfers of Japanese Reparations*,<sup>3</sup> with an accompanying paper, *Reparations Allocations Procedures for Industrial Facilities in*

<sup>1</sup> Made on Apr. 3, 1947 and released to the press on that date. General McCoy is U.S. member of the Far Eastern Commission.

<sup>2</sup> BULLETIN of Dec. 30, 1945, p. 1028.

<sup>3</sup> To be released to the press as soon as the Supreme Commander for the Allied Powers has given notice of its receipt in Japan.

*Japan*, which is largely a set of administrative regulations. This interim directive, which will deal only with these two papers, will be placed before the Commission for review in accordance with the Terms of Reference of the Far Eastern Commission, and the Commission will continue to consider this as well as all other aspects of the reparations problem.

## Recovery of Property Removed From the Philippines by the Enemy

[Released to the press April 7]

American owners of property in the Philippines which was looted by the Japanese may obtain the assistance of the Philippine Government in locating the property, if it is clearly identifiable. Information concerning all property, regardless of the nationality of the owner, which is believed to have been removed from the Philippines by the enemy will be reported by the Philippine Government to the Supreme Commander of Allied Powers in Japan so that a search can be made in Japan.

American owners should mail declarations regarding such property directly to the American Embassy at Manila for transmission to the Philippine Government. Declarations should describe the property as fully as possible to facilitate its identification, should state the circumstances under which it disappeared, and should be accompanied by proof of ownership.

### Fisheries Convention—Continued from page 644

of fish; (d) the time, methods, and intensity of fishing; (e) the type and specifications of the nets, gear, and apparatus and appliances which may be used; (f) the methods of measurement; (g) the extent and nature of stocking operations; and (h) catch returns and other statistical records.

Inevitably, appropriate measures for development, protection, and conservation imply some regulation and restriction to secure eventual benefits. Experience shows that international cooperation in these matters brings worth-while results. Notably successful in the field of international cooperation are two similar conventions between the United States and Canada: the convention regarding the halibut fishery of the North Pacific Ocean and the Bering Sea, and the convention

regarding the sockeye salmon fisheries of the Fraser River system. These conventions established international commissions with authority to investigate conditions, to conduct fish-culture operations, to improve spawning grounds, to regulate the sizes of mesh in certain nets, and to limit or prohibit the taking of halibut and salmon in convention waters. Both scientists and commercial fishermen have publicly recognized the operations under these two conventions as constituting outstanding examples of the benefits to be derived from international cooperation and sound conservation measures.

In spite of the success of these earlier conventions some opposition has arisen to the Great Lakes fisheries convention because Canada, whose share of the total catch is much smaller than the United States share, would have equal voting power on the Commission. Further opposition has been based on the contention that Canadian fishermen will secure through the convention additional fishing rights in United States waters. The terms of the convention, however, do not in any way substantiate such a claim.

Two fears have been expressed: (1) that the Commission might impose restrictions and regulations which would be handicapping rather than beneficial, and (2) that the convention would interfere with the States' rights to control this natural resource. Such fears, however, are not well founded. Restrictions and regulations will be imposed only on the basis of scientific findings. Furthermore the convention says that "in United States waters the regulations for each lake may be enforced in the first instance by the enforcement agencies of the states bordering thereon within their respective jurisdictions and in Canadian waters by the appropriate enforcement agencies in the Province of Ontario." The convention also specifically provides that nothing therein shall be construed as preventing any State from making or enforcing laws or regulations within its jurisdiction which would give further protection to the fisheries.

The great natural resources represented by the fisheries of the Great Lakes need development, protection, and conservation. An effective program requires coordinated action by all the governments having jurisdiction. The Great Lakes fisheries convention, so long delayed, is a vitally important step toward the desired goal.

# Necessity for Extension of Export Control Act

## MESSAGE FROM THE PRESIDENT TO THE CONGRESS

[Released to the press by the White House March 19]

*To the Congress of the United States:*

In my message to the Congress on January 31, 1947, concerning the extension of specified parts of the Second War Powers Act, I stated that it was desirable to delay any communication on the subject of the control of this country's exports until it became clear whether or not an extension of such controls would be necessary, beyond June 30, 1947.

Further review of domestic and world supplies has now convinced me that this Government must continue its control over the export of products in critically short supply here and abroad, in order to protect the economy of the United States as well as to discharge our international responsibilities. The situation, although essentially temporary in character, will certainly remain acute for some time to come.

As a result of the war, many nations have been stripped of essential supplies and their productive capacity has been curtailed. Foreign demands for these supplies are therefore extremely large. Prices of many commodities in other countries are far above present levels in the United States. Uncontrolled exports of food products would result in a marked increase in the already substantial burden of living costs borne by the American people. Unlimited export of feeds, seeds and fertilizers would make extremely difficult the achievement of the food production goals which we have asked American farmers to meet and would increase the cost of production of farm products.

This country is the great undamaged center of industrial production to which the whole world looks for materials of every kind. Our steel, lumber, building materials, industrial chemicals and many other basic industrial commodities are sought throughout the world. Shortages of many of these commodities restrict our own domestic production of other essential products. Unrestrained export would inevitably limit the level of our own industrial production and employment.

Furthermore, there are instances in which we wish to direct exports to those countries which produce commodities essential to our own economy. Thus, limited amounts of equipment have been directed to certain countries to increase the production of tin, hard fibres, sugar, and fats and oils.

Serious as would be the effect of unlimited and completely undirected exports upon a nation still troubled by many shortages, our domestic problems are not the only ones which lead me to urge upon the Congress a further extension of export controls. The United States has become a nation with world-wide responsibilities. During a period of world shortages, the distribution of this country's exports has serious international significance. If we retain the ability to channel commercial exports of critically scarce materials, we can permit export of these products to countries whose need is greatest while still protecting the United States from excessive export drains. Our international responsibilities cannot be fulfilled without this machinery. In its absence, foreign purchasing would tend to be concentrated on those commodities in greatest world shortage. Not only would our domestic supply and price structure be seriously affected, but the commodities would go to destinations where the need is comparatively less pressing.

Furthermore, we have granted loans and other monetary aid to nations whose existence must be preserved. These loans will accomplish their purpose only if the recipient nations are able to obtain critically needed supplies from this country. Export control is an important instrument in carrying out the purpose of these loan programs.

The record clearly shows that this authority over exports has been exercised in the past only with respect to those commodities in critically short supply and that, as rapidly as the supply situation has improved, commodities have been removed from control. The list of items subject to export control has been reduced from a wartime peak of over 3,000 to approximately 725 on October 1, 1946, and approximately 500 at the present time. We

will continue to remove export controls as rapidly as the supply situation permits. I look forward to the day when the United States and other countries can remove these interferences to the free flow of commodities in world trade. But the danger of immediate and complete decontrol in the face of continuing domestic and world scarcities is too great for this nation to undertake at this time.

I therefore, recommend that the authority derived from the Export Control Act be extended for a period of one year beyond its present expiration-date, June 30, 1947. It is essential that this extension be made well in advance of this date. Delay would prove unsettling to business and would handicap the planning and execution of our food and other export programs. Effective administration of the export control orders requires

the assurance of continuity in operations. I urge upon the Congress prompt action in extending this authority.

HARRY S. TRUMAN

THE WHITE HOUSE

March 19, 1947

#### Foreign Commerce Weekly

The following article of interest to readers of the BULLETIN appeared in the March 29, 1947, issue of *Foreign Commerce Weekly*, a publication of the Department of Commerce, copies of which may be obtained from the Superintendent of Documents, Government Printing Office, for 15 cents each:

"Philippine Abacá Situation: Knotty Problems Curb Progress", by Clarence A. Boonstra, Agricultural Attaché, formerly with the United States Embassy, Manila, and now at Santiago.

### Discussions of Legislation for Communications Merger

[Released to the press April 2]

The Telecommunications Coordinating Committee (TCC), which coordinates Government policy in the communications field, and is made up of representatives of Government departments and agencies with interests in telecommunications, namely, the Department of State, the Federal Communications Commission, the War Department, the Navy Department, the Treasury Department, and the Department of Commerce, has for some time been studying the question of the advisability of recommending legislation dealing with the subject of merger of the United States carriers engaged in international communication service.

In connection with its study of this question, the TCC on March 31, 1947, met with representatives of the labor organizations representing employees of the international telegraph companies, in room 474 of the Department of State. The meeting was held in order to obtain the views of these organizations as to the desirability of legislation which would permit the international telegraph companies to merge. A similar meeting with representatives of the companies had been held on March 11, 1947.

The labor organizations which were invited to attend the meeting of March 31, 1947, included the American Communications Association (C.I.O.), which represents the employees of all United States international telegraph companies except

those of the All America Cables and Radio, Inc., and the National Federation of Telephone Workers (independent), representing employees of the American Telephone and Telegraph Company which operates telephone circuits for overseas service. The latter organization, however, was unable to attend the meeting. The views presented at the meeting were as follows:

The American Communications Association opposed any merger of carriers in the international telegraph field on the ground that a merger in this field would be opposed to the interests of the public. This organization also took the position that labor-protection provisions, although essential in any merger legislation, do not in fact offer sufficient guaranties for the protection of the interests of employees. In support of its position, the American Communications Association stated that the domestic telegraph merger had resulted neither in a reduction of rates nor improvement of service and that the interests of employees in the domestic telegraph industry have been adversely affected by the merger which has taken place.

The All America Cables Employees Association expressed its opposition to any legislation providing for international merger on the ground that any such merger would benefit only the companies involved and would result in detriment to their employees. This organization therefore took the position that a merger would not be in the public interest.

## Quota Ended on Fox Furs From Canada

The President has signed a proclamation terminating the absolute quota on imports of silver or black fox furs and certain silver or black foxes into the United States and restoring the duty on such furs from 35 percent to the rate of 37½ percent *ad valorem* fixed by the trade agreement with Canada signed on November 17, 1938. These changes will go into effect on May 1, 1947. This proclamation followed an exchange of notes between the United States and Canada agreeing to terminate the supplementary trade agreement with Canada on such furs.

The first supplementary trade agreement between the United States and Canada on fox furs went into effect January 1, 1940. It established an annual absolute global quota of 100,000 units on the importation of silver or black fox furs and skins into the United States and reduced the duty from 37½ percent *ad valorem*, the rate fixed in the 1938 trade agreement with Canada, to 35 percent. Of the global quota Canada was allocated 58,300 units, with 41,700 units for all other countries combined. A second fox-fur agreement, which went into effect December 20, 1940, replaced the first fox-fur agreement.

In this later agreement Canada was, during the fur-marketing season, allotted 70,000 out of the global quota of 100,000 units, and all other countries combined were allotted 30,000. The second agreement continued the 35-percent rate of duty. It is this agreement which is now terminated.

The termination of this agreement, in conformity with a provision in it for its termination at any time by agreement between the United States and Canadian Governments, gives recognition to the fact that the emergency conditions in the early part of the war in Europe which led to the negotiation of the present fox-fur agreement and which closed foreign markets and suddenly increased quantities of furs available for United States markets no longer exist. Since then there has been a sharp diminution in world silver or black fox-fur production. Recovery in European production will require some years. Fox-fur prices have recently been generally higher in Europe than in the United States. For some months the rate of imports into the United States has been low and there is no prospect of a great increase in the immediate future. European markets for fox furs have recovered considerably

since the end of the war. These facts have been clearly established by a public hearing held by the Committee for Reciprocity Information on March 7, 1946 and by other information which has been available from domestic and foreign sources.

Termination of the agreement also recognizes the changed situation resulting from the end of the war, compared with December 1940, in the ability of various European countries, particularly Norway, to send furs to this market. It also removes the possibility of discrimination against such countries as a result of the allocation provisions in the agreement.

The interdepartmental trade-agreements organization will, in conformity with its customary procedure, follow closely the situation affecting imports of silver fox furs into the United States.

## "Nazi Conspiracy and Aggression", Volume II

The American prosecution staff released on March 22 complete and authoritative analyses of the Nazi Gestapo and SS in publishing the seventh in its series of eight volumes of the documentary evidence presented at the Nürnberg war-crimes trial.

The eight-volume set, which contains English translations of evidence collected by both the American and British prosecutions, and which has been approved for release by Justice Robert H. Jackson, is published by the Government Printing Office under the title of *Nazi Conspiracy and Aggression*. Most of the documents published were captured from the secret files of the German Government, the Nazi Party, the Wehrmacht, and the personal files of the Nazi leaders.

Six volumes of these documents (volumes I, III, IV, V, VI, and VII) have already been completed. Because publication of certain volumes has been delayed in order to permit the inclusion of last-minute material, the volumes are being issued out of their proper order in the series, and delivery of each volume is being made as it comes off the press.

The latest volume, volume II in the series, is designed to serve with volume I as a guide to the mass of documents included in the remaining six volumes. It consists of studies, in non-technical language, summarizing and analyzing the documents according to the particular subjects on which they bear.



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# *The Department of State*

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## RESOLUTIONS ADOPTED BY THE ECONOMIC AND SOCIAL COUNCIL RELATING TO NARCOTIC DRUGS

by George A. Morlock

*The Economic and Social Council at its fourth session took note of the First Report of the Commission on Narcotic Drugs and approved recommendations to insure the efficient discharge of the functions and duties of the United Nations in the field of narcotic drugs.*

The Economic and Social Council had on its agenda for the Fourth Session the topic "Report of the Narcotics Commission and the Assembly Resolution on Narcotics".

On invitation of the Chairman, Col. C. H. L. Sharman, Chairman of the Commission on Narcotic Drugs, made some observations<sup>1</sup> on the report of the Commission to the Economic and Social Council on the work of its First Session held at Lake Success, N. Y., from November 27 to December 13, 1946.<sup>2</sup>

### Remarks by Colonel Sharman

I have a few remarks to make to the members of the Council.

As members of the Council will recall, the Commission on Narcotic Drugs owes its existence to the resolution of the Council of February 16, 1946.

The first session of the Commission on Narcotic Drugs was held at Lake Success from November 27 to December 13, 1946.

The report of the Commission to the Economic and Social Council has been circulated to members.

In addition to discussing questions relating to organization and procedure, the Commission has reviewed the general situation throughout the world in the field of narcotics and considered the measures required in order to maintain and strengthen the system of international control,

particularly in countries where interruptions have been caused by the war. Special attention was given to the urgent question of the limitation of the production of raw materials. Various other problems were also examined, including opium smoking in the Far East, the illicit traffic, drug addiction, and the situation in Germany, Japan, and Korea.

The Commission adopted a number of resolutions and recommendations to the Council, which are contained in the report. It will be observed that the action required to implement fully these resolutions and recommendations will add substantially to the work of the Secretariat and will involve certain additional expenditure. The Council will be trusted to take the necessary steps to insure that adequate provision is made for these purposes.

During the session of the Commission, representatives of 38 nations, and shortly afterwards an additional 11 members, signed the protocol amending previous international agreements on narcotic drugs and transferring to the United Nations the powers and functions formerly exercised by the League of Nations in relation to the control of narcotics.

Members of the Council will recall that many

<sup>1</sup> U. N. doc. E/P.V./52, Feb. 28, 1947.

<sup>2</sup> U. N. doc. E/251, Jan. 27, 1947.



nations who are not yet members of the United Nations were signatories of the previous international agreements relating to narcotic drugs. The effectiveness of the international control of narcotic drugs depends, to a great extent, on its universality, and it is urgent that nations outside the United Nations who were parties to the previous agreements should sign the new protocol; otherwise there will be serious gaps in the international administration. For this reason the Commission has requested the Economic and Social Council to consider the measures necessary to insure the participation at an early date in the protocol of all parties to the previous international agreements, conventions, and protocols on narcotic drugs who are not members of the United Nations.

The reestablishment at its pre-war level of the international control of narcotic drugs was one of the most important problems discussed by the Commission during its first session. The Commission recommended that, in order to hasten the reestablishment of international control in the countries directly affected by the war, and to improve it wherever necessary, all possible technical assistance should be given. The Commission considered that it was necessary to begin the preparation of a digest of laws giving a survey of the legislation in countries which were parties to the conventions, in order to ascertain whether their legislation on narcotic drugs is in accordance with the conventions.

It also emphasized the importance of the revision of the list of narcotic drugs which are subject to control. The development of new drugs, synthetic and otherwise, since 1940 makes it essential to revise the list in order that these drugs may be brought under control. The Commission was of the opinion that the preliminary work of revision could best be undertaken by a consultant pharmacologist.

The Commission devoted particular attention to the problem of the limitation of the production of raw materials. This work was begun in 1932 by the Opium Advisory Committee of the League of Nations, but was interrupted by the war. In 1944 the United States Government assumed the initiative in carrying on the work of preparation of a conference on this subject. The Commission on Narcotic Drugs decided to issue, subject to the approval of the Council, a questionnaire on raw opium calling for further information and to in-

struct the Secretariat to draw up a questionnaire on the coca leaf for consideration by the Commission at its next session.

The Commission also reviewed the new situation created by the abolition of most of the previously existing opium monopolies in the Far East. As soon as the Far Eastern territories of France, the United Kingdom, Netherlands, and Portugal were liberated from the Japanese occupation, the Governments of these countries made opium smoking illegal in them.

The Commission has asked the Economic and Social Council to invite all countries which still legalize the use of opium for smoking to take immediate steps to prohibit the manufacture, internal traffic in, and the use of such opium.

During the session the Commission examined the different aspects of the question of drug addiction. It dealt with the question of addiction due to drugs derived from opium and coca leaf and addiction due to Indian hemp, new synthetic drugs, and the barbiturates. It decided to issue a questionnaire on drug addiction. As regards new drugs, the Commission recommended that the Council should remind governments which were parties to the convention of 19 February 1925 that they have undertaken to send to the Permanent Central Opium Board statistics of drugs whether synthetic or not which are brought under this convention in virtue of article 10. This article, as amended by the protocol, provides that governments which accept the recommendations of the World Health Organization concerning dangerous new drugs which should be brought within the scope of the convention shall apply the remaining provisions of the act in their respect. The Commission also recommended that the Council should request governments to send estimates in respect of these drugs to the Permanent Central Opium Board and the Supervisory Body.

Particular attention was paid to the problem of Germany and the Commission took note of the following passage from the report of the Permanent Central Opium Board in 1945:

" . . . The Board can only emphasize that some system under which the control of narcotics in Germany is centralized, or, at least, the control over them in the different zones is co-ordinated, should be established at the earliest possible moment with a threefold object: First, it is necessary that the statistical information on imports and ex-

ports, manufacture, stocks and seizures should be collected by some Central Authority, and transmitted to the Board and to the Allied Governments, who are responsible for the enforcement of drug control in Germany. Secondly, it is desirable that such a Central Authority should re-establish proper regulations through import and export licenses over imports to and exports from the whole German territory occupied by the military authorities. Thirdly, there are a number of internal measures of control which should be uniform in all four zones."

The Commission has requested the Council to urge the occupying powers to take the necessary measures at the earliest possible moment for the establishment of an effective control of narcotics for all Germany.

The Council will be interested to learn that a special study of the problem of narcotics in Japan and Korea was made by the Commission. The Chinese Delegate submitted a proposal for the total prohibition of the manufacture of narcotic drugs in Japan and for the instalment of a United Nations stockpile of narcotic drugs in the Far East which would be the sole source of supply for the medical and scientific needs of Japan.

A subcommittee was appointed to study the problem and presented two alternative proposals for the consideration of the Commission. The Commission decided to submit both alternatives to the Council. Alternative A of the two proposals contains a recommendation that an international stockpile should be established from which the medical and scientific needs of Japan would be supplied. Alternative B provides that all imports of narcotic drugs into Japan should require the prior sanction of an inspectorate appointed by the United Nations.

With regard to Korea, the Commission decided to recommend that similar measures of control to those adopted in respect of Japan should apply to Korea.

In order to insure that the terms of such control are incorporated in the peace treaties which are presently to be concluded with Japan, the Commission recommended that the Economic and Social Council should:

(a) send its recommendations in regard to Japan to the Far Eastern Commission, with copies to all governments represented on the Commission

and to the Allied Military Authorities now in control of Japan; and

(b) send its recommendations in respect of Korea to all governments and authorities concerned.

I should like to refer, if I may be allowed to do so, to the harmonious manner in which the Commission carried out its task at the first session, a task which although essentially technical and non-political nonetheless required a cooperative spirit among its members in order to achieve constructive results. The Commission's work was greatly facilitated by the decisions taken by the Council and the Assembly to preserve the continuity of the international control of narcotics.

I am sure that members of the Council will also permit me to express my thanks on behalf of the Commission to the Secretary-General for the measures which he put into force to insure the efficient functioning of the international control during the difficult period of transition while United Nations were assuming the duties formerly carried out by the League in this field.

#### **Action on Report**

A number of members of the Council commended the report of the Commission on Narcotic Drugs, the first report to come before the Council from one of its commissions, for its high quality. The Chairman described it as exhaustive and clear and stated that it contains just what is expected of the Economic and Social Council.

At the suggestion of the Soviet Representative and several other representatives, the Chairman proposed that the report be referred for study to a committee designated as the Committee of the Council on Social Affairs to be composed of the United States, the United Kingdom, France, China, the Union of Soviet Socialist Republics, India, Peru, New Zealand, Byelorussia, Venezuela, and Lebanon. The proposal was approved.

This Committee held three meetings at Lake Success, N. Y., on Tuesday, March 4, and Wednesday, March 12, 1947. It considered the resolutions recommended to the Council in the report of the first session of the Commission on Narcotic Drugs in the light of the debate held in plenary session of the Council on February 28, 1947.

The Committee on Social Affairs recommended for adoption, and the Economic and Social Council

cil adopted on March 28, 1947, with minor changes, the following resolutions:<sup>3</sup>

**[A.] Transfer of the Functions of the League of Nations**

THE ECONOMIC AND SOCIAL COUNCIL

TAKES NOTE of the first report of the Commission on Narcotic Drugs and decides as follows:

HAVING NOTED that forty-nine Members of the United Nations have now signed the Protocol transferring to the United Nations the functions previously exercised by the League of Nations under international conventions, agreements and other instruments relating to narcotic drugs, and

HAVING NOTED that a certain number of parties to such conventions, agreements and other instruments are not Members of the United Nations

*Requests* the Secretary-General to invite all those parties to the conventions, agreements and other instruments above-mentioned which are not Members of the United Nations, with the exception of Spain so long as the Franco Government remains in power in that country, to become parties to the said Protocol at an early date.

**[B.] Re-establishment and Improvement of the International Control of Drugs**

*(i) Re-establishment of control*

THE ECONOMIC AND SOCIAL COUNCIL

HAVING NOTED the urgency of re-establishing the control of narcotics in the countries directly affected by the war and of improving it wherever necessary

*Approves* the decisions of the Commission on Narcotic Drugs

1. To ask these countries to resume at the earliest date possible full collaboration with the international organs of control.

2. To offer them on request such technical assistance as they may require with a view to the re-establishing of national controls at pre-war levels.

*(ii) Improvement of control*

THE ECONOMIC AND SOCIAL COUNCIL

HAVING RECOGNIZED the importance of facilitating the task of the Council and the Commission in supervising the application of the conventions and agreement on Narcotic Drugs,

*Approves* the decision of the Commission to initiate the preparation of a digest of laws giving an

analytical survey of national legislation in all countries parties to these conventions with a view to ascertaining whether their legislation on narcotic drugs is in accordance with the Conventions. and

HAVING NOTED the opinion of the Commission that the revision of the list of narcotic drugs falling within the scope of the various Conventions should not be delayed,

1. *Requests* the Secretary-General to undertake these tasks as expeditiously as possible.

2. *Invites* Governments to give the Secretary-General all possible assistance in the execution of this work.

**[C.] Limitation of Production of Raw Materials**

THE ECONOMIC AND SOCIAL COUNCIL

HAVING NOTED the importance of bringing a speedy solution to the urgent problem of the limitation of production of raw materials from which narcotic drugs are manufactured, and

HAVING NOTED the preparatory work initiated by the Commission with a view to holding an international conference to deal with this problem

1. *Approves* the issue of the questionnaire on raw opium prepared by the Commission on Narcotic Drugs (document E/251/Add.2), and requests the Secretary-General to transmit this questionnaire to the governments concerned asking them to communicate, on or before 15 August 1947 the information called for therein and any observations bearing on the subject which they may wish to submit, and

2. *Approves* the decision of the Commission to draw up a questionnaire on the coca leaf to be considered by the Commission at its next session and subsequently to be transmitted to Governments.

**[D.] Abolition of Opium Smoking**

THE ECONOMIC AND SOCIAL COUNCIL

HAVING CONSIDERED the stipulation embodied in Article 6 of the International Drug Convention of 23 January 1912 concerning the suppression of the manufacture of, internal traffic in and use of prepared opium, and

HAVING NOTED the Governments of some countries have adopted a policy of complete prohibition of opium smoking and have taken measures to give effect to this policy

*Requests* the Secretary-General to invite, on

<sup>3</sup> U.N. doc. E/399, Apr. 3, 1947.

behalf of the Council, all countries where the use of opium for smoking is still legal, to take immediate steps to prohibit the manufacture of, internal traffic in and the use of opium for this purpose.

#### **[E.] Drug Addiction**

THE ECONOMIC AND SOCIAL COUNCIL

HAVING NOTED that under the Convention of 19 February 1925 Governments have undertaken to send to the Permanent Central Opium Board statistics of drugs, whether synthetic or not, which are brought under control in virtue of Article 10 of this Convention,

*Requests* the Secretary-General to remind the Governments concerned of the obligation above-mentioned, and to ask them to send, for the information of the Permanent Central Opium Board and the Supervisory Body, estimates of requirements of these drugs, together with the estimates to be furnished under Articles 2 to 5 inclusive of the Convention of 1931.

#### **[F.] Control of Narcotic Drugs in Germany**

THE ECONOMIC AND SOCIAL COUNCIL

*Requests* the Secretary-General, on behalf of the Council, to inform the Governments of France, the Union of Soviet Socialist Republics, United Kingdom, and the United States of the special importance which the Council attaches to the establishment of an effective control of narcotic drugs in Germany, and to invite them, on behalf of the Council, to recommend to the Allied Control Authority to take the necessary measures at the earliest possible moment for the establishment of an effective control of narcotic drugs throughout Germany.

#### **[G.] Control of Narcotics in Japan**

THE ECONOMIC AND SOCIAL COUNCIL

HAVING CONSIDERED the problem of the control of narcotic drugs in Japan, and the recommendations of the Commission on Narcotic Drugs on this subject,

*Approves* the decision of the Commission to approach the competent authorities at Pacific Headquarters through the proper channels, with the request to supply to the Secretary-General, and through him to the Parties to the Narcotics Conventions, reports and other information to be furnished in accordance with the conventions of 1912, 1925, 1931 and 1936, and

HAVING NOTED that the most stringent measures for the control of narcotic drugs should be incorporated in the peace treaties to be concluded with Japan,

*Recommends* to the Governments responsible for negotiating these treaties that provision should be made in them for the most stringent control in the period after the conclusion of the treaties of all transactions concerning narcotic drugs in Japan, and that to ensure effective operation this control should be under the supervision of such control authorities as may be established by the peace treaties and of the United Nations, whose expert bodies will be available to give such information and advice as may be requested.

#### **[H.] Appointments to the Permanent Central Opium Board**

THE ECONOMIC AND SOCIAL COUNCIL

1. *Resolves to follow* with regard to appointments to the Permanent Central Opium Board for the present the procedure contained in the memorandum Annex III to the Report of the Commission<sup>4</sup> and

2. *Instructs* the Secretary-General to invite the Governments mentioned therein to make nominations in accordance with the provisions of this memorandum, these nominations to reach the Secretary-General on or before 1 August 1947

3. *Invites* the Secretary-General to initiate studies with a view to amending or deleting the provision in Article 19 of the Convention of 1925 that requires that members of the Permanent Central Opium Board shall not hold any office which puts them in a position of direct dependence on their governments

4. HAVING NOTED the immediate vacancy to be filled on the Permanent Central Opium Board and the nomination submitted in accordance with the decision of the Commission<sup>5</sup>

*Resolves to appoint:* Professor J. Bougault (France)

#### **[I.] Budgetary Provision**

THE ECONOMIC AND SOCIAL COUNCIL

HAVING CONSIDERED the numerous functions and duties which have to be performed, arising out of

<sup>4</sup> U.N. doc. E/251, Jan. 27, 1947.

<sup>5</sup> U.N. doc. E/251, p. 11.

the international agreements, conventions and protocols on narcotic drugs, and out of the decisions of the General Assembly, and of the Economic and Social Council

HAVING NOTED further that the international control of narcotic drugs has been partially interrupted by the war, and that its full re-establishment is a matter of urgency, and

HAVING NOTED that the preparatory work for the limitation of the production of the raw materials used in the preparation of narcotic drugs must be resumed as soon as possible,

*Recommends* to the General Assembly that it should ensure that provision is made to supply the Commission on Narcotic Drugs and the Secretary-General with all the means required to ensure the efficient discharge of the functions and duties of the United Nations in the field of narcotic drugs.

#### Comment

A comparison of the resolutions adopted by the Economic and Social Council with the recommendations and suggestions<sup>6</sup> presented by the Commission on Narcotic Drugs discloses general approval by the Council of the work of the Commission. The financial implications of the various recommendations were considered and taken into account in resolutions designated above as B, C, and I, relating to expenditures in connection with the reestablishment and improvement of the international control of narcotic drugs. The adoption of these resolutions insures to the Secretary-General (assuming that the approval of the General Assembly will be obtained) the means required to enable the United Nations to carry out their obligations under the international drug conventions.

The action called for in resolution A will undoubtedly result in universal acceptance by the parties to the international drug conventions, agreements, and other instruments, with the exception of Spain so long as the Franco government remains in power in that country, of the transfer to the United Nations of the functions

exercised by the League of Nations relating to narcotic drugs.

The words *on request* in point 2, paragraph (i), of resolution B were inserted on the suggestion of Mr. Borisov (U.S.S.R.).

Resolution D on the abolition of opium smoking, E on drug addiction, and F on control of narcotic drugs in Germany carry out fully the recommendations of the Commission on Narcotic Drugs.

Resolution G on the control of narcotics in Japan provoked considerable discussion. It will be recalled that the Commission on Narcotic Drugs presented two alternative proposals for the consideration of the Council: alternative A, embodying a recommendation that an international stockpile should be established, from which Japan might draw its narcotics for medical and scientific purposes, and alternative B, stipulating that all imports of narcotic drugs into Japan should receive the visa of an inspectorate appointed by the United Nations. In the discussion of these proposals at the second meeting of the Fourth Session of the Economic and Social Council on February 28, 1947,<sup>7</sup> the representatives of the United Kingdom, France, Canada, the Netherlands, and the United States expressed themselves as favoring alternative B as being more practical, economical, and efficient than alternative A.

Dr. Szeming Sze (China) proposed in the first meeting of the Committee on Social Affairs of the Economic and Social Council,<sup>8</sup> March 4, 1947, that the paragraph in his original proposal relating to Korea be omitted because the narcotics situation in Korea is not on the same footing as in Japan. In order not to delay a decision, he said he was prepared to adopt alternative B, reserving the right to raise the question of an international stockpile at a more suitable time. Mr. Borisov said that both alternative A and alternative B implied that the Economic and Social Council would have to undertake executive functions and that this was outside of the scope of the United Nations. He thought that the action taken by member governments under existing conventions was sufficient for the application of the necessary control and that it was preferable to await conclusion of treaties with Japan before making the recommendations contained in alternatives A and B. Mr. Kaminsky (Byelorussian Soviet Socialist Republic) sug-

(Continued on page 706)

<sup>6</sup> BULLETIN of Jan. 19, 1947, p. 91; see also U.N. doc. E/251.

<sup>7</sup> U.N. doc. E/P. V./52, Feb. 28, 1947.

<sup>8</sup> U.N. doc. E/AC.7/3, Mar. 8, 1947.

## THE COUNCIL OF FOREIGN MINISTERS

### Moscow Meeting of the Council of Foreign Ministers: Questions Relating to Germany

#### STATEMENTS BY THE SECRETARY OF STATE

##### Polish-German Frontier <sup>1</sup>

The time has now come for the Council of Foreign Ministers to examine the problem of the final determination of the Polish-German boundary. The Potsdam protocol provided that "the final delimitation of the western frontier of Poland should await the peace settlement." Pending that final settlement about 40,000 square miles of eastern German territory were, at Potsdam, placed under the administration of the Polish state.

We are agreed that Poland should receive substantial accessions of territory in the north and west in compensation for territory acquired by the Soviet Union east of the Curzon Line.

In the peace settlement, therefore, a substantial revision of the pre-war German frontier in Poland's favor is required. Our problem is how and where to draw the final line so as to avoid unnecessary and unjustified economic upset and to minimize inescapable irredentist pressure in Germany.

The area in question is very important to the livelihood not merely of those who live there but of many others who live in neighboring areas. We are dealing with a problem which touches closely on the political stability and the economic health of much of Europe. Recognition of this should dominate our thinking. We should see to it that the new frontiers wherever they are drawn do not create a continuing political problem and are not barriers to the accustomed and healthful flow of trade and commerce and human intercourse.

It is not inevitable that new frontiers should block trade and intercourse. Some frontiers become almost impenetrable barriers. But we can, if we so agree, establish here a territorial settlement on terms which would protect Europe against such evil effects. The peace settlement might, for example, provide that certain economic resources of the ceded territory on which other countries are dependent should be administered with due regard to their needs.

I suggest that before we decide on where the

new frontier shall be we consider first what kind of a frontier it is to be. The Polish Government should, of course, be consulted promptly, for it is deeply concerned. The final action should be in the interest of Europe as a whole. Let us start to apply the conception that European matters which are of general concern should be dealt with in the general interest. We at this council table have the duty to try to rebuild a Europe better than that it replaces. Only as we inspire hope of that can we expect men to endure what must be endured and make the great efforts which must be made if wars are to be avoided and civilization is to survive in Europe.

The new frontiers of Poland must be adequate to give Poland resources at least as great as she had before the war and capable of maintaining her people at a good standard of life. To give Poland satisfactory new frontiers means that some territory which has long been German and intimately interrelated with the German economy must be affected. We must not deprive Poland of the compensation we promised her. But in deciding what compensation she is entitled to we must consider what territory Poland needs and can effectively settle. We must avoid making a settlement which would only create difficulties for Poland and for Europe in future years.

There are specific economic factors affecting Germany which require consideration. German pre-war imports of foodstuffs provided about one fifth of the total food consumed in Germany. Before the war the German area now under provisional Polish control also contributed over a fifth of Germany's total food supply. If Germany must, in the future, import two fifths or more of her food supply from abroad, the German economy will have to be industrialized to an even greater extent than before the war or Germany will become a congested slum in the center of Europe. The five to six million Germans who have been evacuated from areas in the east will, for the most part, have to depend on industrial employment for their

<sup>1</sup> Made on Apr. 9, 1947, and released to the press in Moscow on the same date, and in Washington on Apr. 10.

livelihood. I agree with Mr. Bidault that there is danger in requiring an eventual German population of over 66,000,000 to live within the confines of a smaller Germany.

There are also political factors to be considered. The cession to Poland of areas long German will of necessity create some irredentist feeling. Our problem is to provide Poland with compensation which is her due. At the same time we must avoid a territorial settlement which might discredit the democratic forces of Germany and give militant nationalist groups the chance to gain a hold on another generation of German youth. We should not provide an enduring and popular issue for the enemies of democracy and freedom in Germany. We should not destroy the hope that in future years Polish-German relations may become genuinely peaceful and cooperative.

We must find a settlement which will not, in the future, confront the United Nations with international friction likely to impair the general welfare or friendly relations among nations or to endanger the maintenance of peace and security.

A solution of the problems involved in the character and location of the Polish-German frontier must be sought. While it will require precise and informed investigation, the main limits to this investigation can be stated now. It will be accepted, I think, that southern East Prussia should become Polish territory, German Upper Silesia and its industrial complex should also become Polish; but there should be provisions to assure that its coal and other resources will be available to help sustain the economy of Europe. The division of the remaining territory, which is largely agricultural land, requires consideration of the needs of the Polish and German peoples and of Europe as a whole. Accordingly, I propose that the following be agreed here at Moscow:

"The Council of Foreign Ministers establishes a special boundary commission to function under the direction of the deputies. It will be composed of representatives of the U.S.S.R., U.K., U.S.A., France, Poland, and a convenient number of other Allied states to be designated by the Council of Foreign Ministers. The Council of Foreign Ministers will invite Poland and each of the designated countries to appoint a member.

"The function of the commission shall be to consider and recommend to the Council of Foreign Ministers:

"(a) A revision of pre-war Polish-German boundaries which will fairly compensate Poland for the cession of the territory east of the Curzon Line to the Soviet Union;

"(b) The economic arrangements appropriate to assure that such raw materials and heavy industrial resources of the area in question as are vital to European economy shall fairly serve that need, including particularly the need of Poland.

"In making its recommendation the commission shall inquire into and report upon Polish resettlement and German settlement in the areas in question and the best means to assure the effective utilization of such areas for the economic well-being of the Polish and German peoples and of Europe as a whole."

#### The Ruhr<sup>2</sup>

The United States Delegation believes the concentration of basic economic resources in the Ruhr area raises two distinct problems. One is the question of security against the militant use of Ruhr resources by a revived Germany. The other is the question of how to assure that the concentration of coal, steel, and other resources in the Ruhr area will be equitably employed in the interests of the countries of Europe including Germany.

We are convinced that no attempt should be made finally to solve either of these two problems until the Council has examined the other aspects of security, including the United States proposal for a four-power disarmament treaty. We are ready, however, to consider the economic aspects of the problem on the understanding that no overall commitment can be reached until the Council has discussed the security question.

While the Ruhr area contains a greater concentration of basic industrial resources than is to be found elsewhere in Europe, it is not the only concentration. An area of less—but still substantial—importance is Upper Silesia. Since no part of this area is now under German control, it is unnecessary to consider it from the point of view of security. The economic questions raised by the Ruhr concentration, however, are equally relevant to the Silesian concentration and, indeed, to others.

<sup>2</sup> Made on Apr. 10, 1947, and released to the press in Moscow on the same date, and in Washington on Apr. 11.



These questions may be put as follows: (1) How, during periods of acute shortages, are basic commodities, such as coal and steel, to be equitably shared? (2) How are countries within whose boundaries concentrations of basic resources are to be found to be prevented from imposing restrictions which limit the access of other countries to these resources? Both of these questions apply not only to the Ruhr but to other areas. However, in discussing them now I shall limit myself to the problem of the use of Ruhr resources.

The United States Delegation has already stated its position that, during the period of military occupation, no special regime for the Ruhr is necessary. When Allied military government in Germany is terminated and a German government is functioning under a constitution, however, some special provision for the overseeing of Ruhr resources may be advisable. The United States Delegation is of the opinion that whatever provision is made should not interfere with German responsibility for the management and operation of Germany's resources. In the first instance Germany must have responsibility not only for the production but the marketing of the products of her own industries. It is only if the Germans take action contrary to the just interests of other countries that the attention of an international agency may have to be called to the question.

The United States Delegation believes that the ultimate solution to such conflicts as may arise on questions of this sort must be resolved on a European-wide basis and that for this purpose the Economic Commission for Europe will prove useful. We do not consider it necessary here and now to discuss questions of procedure. It is much more important to agree among ourselves on two principles which the United States Delegation thinks should govern the allocation of essential commodities, not only from the Ruhr but from other areas. These principles are (1) equitable distribution of essential commodities in short supply; and (2) access to essential commodities on a non-discriminatory basis.

With respect to the Ruhr the United States Delegation considers that the principle of equitable distribution means that, in the allocation between domestic consumption and export of coal and other essential commodities in short supply, the legitimate interests of European countries must be met while leaving to Germany the pos-

sibility of achieving, without outside assistance, a tolerable standard of living.

The United States Delegation means by the principle of equal access that there shall be no discrimination either by Germany or against Germany in the use of basic resources of the Ruhr. Narrowly this requires that Germany shall not impose export taxes, quotas, or embargoes which result in discrimination. More broadly, it involves insurance against the possibility that Germany, through her possession of coal and steel, will again attempt to dominate European industry and limit the development of heavy industry outside of Germany through the absolute control of metallurgical coal.

The basic economic problem is created by the fact that the coal mines and the steel industry of the Ruhr are located in Germany and needed by much of Europe. That Europe requires coal and steel, however, should not blind us to the fact that they are in Germany, and that they are also needed by the German economy. No solution will work which denies equal access to these resources to the Germans. It would be impossible to expect a country to develop along peaceful democratic lines with a group of deeply interested foreign countries in indefinite control of its prime resources and of local consumption.

What is required, in the view of the United States Delegation, is a mechanism which permits the various interests to be resolved when they come in conflict, rather than to have one dominated by the other. What is required, in other words, is a European solution in a Europe which includes Germany.

### **The Saar Territory \***

The economic resources of the Saar and Lorraine are complementary. The coal mines and iron and steel facilities of the Saar are adjacent to the great iron-ore deposit and the steel facilities of Lorraine. When pre-war production levels are regained, the coal production of the Saar will be relatively unimportant to the internal German economy but will be of the greatest importance to France.

At Stuttgart, last September, Secretary Byrnes stated that the United States does not feel that it can deny to France, which has been invaded

\* Made on Apr. 10, 1947, and released to the press in Moscow on the same date, and in Washington on Apr. 11.



three times by Germany in 70 years, its claim to the Saar territory, whose economy has long been closely linked with France.

For these reasons the United States supports the claims of France to have the Saar territory detached politically from Germany and to have it integrated with the economic and financial system of France by a customs and financial union, and possibly by means of other economic arrangements.

We understand that France does not ask the political incorporation of the Saar into France. While France should be entrusted with the right to defend Saar territory from attack, the political autonomy of the Saar and the right of its people to manage their local affairs should be carefully safeguarded.

In referring to the Saar territory, the United States Delegation has in mind the area covered by the Saar plebiscite. While minor rectifications of the Saar boundaries may be considered, clear justification for such rectification should be required.

The incorporation of the Saar resources into the economy of France will make necessary some modification of the level of industry allowed to Germany and some readjustment of reparation removals and the retention in the Saar territory of

some plants which were to be removed for reparations. French claims for reparations will have to be subject to adjustment in light of the changed situation.

The French Government is anxious to incorporate the Saar in its economic and financial system as soon as possible. The United States Delegation sees no reason for delay and certain advantages to be gained by making this decision now in so far as it is within our competence.

We suggest therefore that we agree now to the detachment of the Saar with its pre-war boundaries from the jurisdiction of the Allied Control Council and its administration solely by France, subject to the appropriate adjustment of the French reparation claims. I suggest that we appoint a committee of experts to prepare a proposal on such reparation adjustments as may be required.

The definitive detachment of the Saar from Germany and the definitive determination of its boundaries will have to be decided by the German peace settlement, which will also have to decide many details relating to the ownership of property, debt, and other matters. I suggest that we direct our deputies, upon conclusion of the present session of the Council of Foreign Ministers, to study all these matters and to make appropriate recommendations for inclusion in the peace settlement.

## The Problem of Boundaries

### STATEMENT BY THE SECRETARY OF STATE <sup>1</sup>

Returning to the problem of boundaries, I may seem to my colleagues to be unduly emphatic regarding this question. My emphasis comes from a deep sense of responsibility to my country regarding the settlement of this particular issue.

Twice in recent years the United States has been compelled to send its military forces across the Atlantic to participate in a war which started in Europe. In men by the million and dollars by the billion we did our best to contribute to the victories for the preservation of a free Europe.

Our task is to make a peace settlement which as a whole the people of Europe will want to maintain and not to break. We want a peace settlement which in future years will become, as it were, self-enforcing. We want a peace settlement which will encourage the people of Europe to work to-

gether peacefully. We want a settlement that will live and that history will approve. We want above all to avoid a solution which will create a highly explosive situation through congestion and lack of food and other resources essential to modern civilization. We have to look beyond today and tomorrow, to look 25 and 50 years ahead of us, beyond the lifetime of most of us.

The Allied nations have now the power to impose new boundaries but, I sincerely hope, not boundaries whose only claim to permanency is force. Such cannot be a good foundation for peace.

Regarding the boundary proposal made to our Government and to our deputies during their meetings in London by the Belgian, Holland, Czechoslovak, and Luxembourg Governments, I am in general accord with what has been stated by Mr. Bevin,<sup>2</sup> and I don't think it necessary at this time to add anything further to that statement.

<sup>1</sup> Made on Apr. 10, 1947, and released to the press in Moscow on the same date, and in Washington on Apr. 11.

<sup>2</sup> Not printed.

## The Regulation of Armaments and Lasting Peace

BY JOSEPH E. JOHNSON <sup>1</sup>

The problem of understanding the relationship between arms control and world stability is one of the most challenging tasks before the American people and the Government. The problem is before us today in an acute form. The United Nations Commission for Conventional Armaments this week began its session at Lake Success, and the Atomic Energy Commission is resuming its labors.

If we understand the true relationship between armaments and peace and security, if national policy conforms to that understanding, we may be able to lay the groundwork for a stable and peaceful world. If we fail to insist upon adequate measures for effective international control, if we fail to make certain that a proper balance is maintained between the armaments of the major powers and between international authority and national forces, we may endanger our own security and the peace of the world. If we succumb again to the delusion that armaments in themselves are a cause of wars, we shall invite disaster.

Twenty-seven years ago this country, a victor in World War I, began a search for peace through disarmament. I think we must recognize today, after the second World War in our lifetime, that something very fundamental was wrong with our method and our policy. Our error lay, we now see, in thinking that by controlling inanimate weapons we could prevent evil men from committing aggression and making war. It lay also in trying to achieve disarmament apart from adequate measures of armaments inspection and control and apart from basic political agreement and control.

It is important, therefore, that we take a look first at our mistakes of the past in order to get at least a general idea of the direction in which we ought to try to go today.

The Covenant of the League of Nations placed the question of disarmament in the forefront of procedures necessary for peace.

"The Members of the League recognize", said the Covenant, "that the maintenance of peace re-

quires the reduction of national armaments to the lowest point consistent with national safety and the enforcement by common action of international obligations."

The Covenant also established a permanent disarmament commission to aid in executing this disarmament policy and to advise on military, naval, and air questions in general.

This emphasis upon disarmament in the Covenant became the watchword of internationalists in the United States during the interwar years. Disarmament was considered an essential prerequisite to peace. It was widely believed that armaments are a danger in themselves, that they create political instability and are one of the principal causes of wars. This belief underlay the Washington Conference in 1921-1922, the Geneva Conference of 1927, and the London Naval Conference of 1930. It led directly to the Preparatory Commission for General Disarmament at Geneva between 1927 and 1930 and pervaded the debates of the General Disarmament Conference from 1932 to 1934.

There were many, especially in Europe, who during those years dissented from the thesis that armaments were in themselves a principal cause of war. The French in particular maintained from 1919 onward that security must precede disarmament and that states desiring peace cannot disarm in the absence of an adequate security system. This point of view was reflected in the establishment in 1921 of a temporary mixed commission to advise the League Council on matters of political import as they related to disarmament. Moreover, the draft treaty of mutual assistance of 1923, the Geneva protocol for the pacific settlement of disputes of 1924, and the Locarno pacts in the next year were all attempts

<sup>1</sup> An address delivered before the annual convention of the Women's Action Committee for Lasting Peace in Washington on Mar. 29, 1947, and released to the press on the same date. Mr. Johnson is Chief, Division of International Security Affairs, Office of Special Political Affairs, Department of State.

to achieve some kind of security which might permit real disarmament.

That this approach to the problem was the wiser is suggested by a careful examination of the results of the three naval conferences. At Washington in 1921-1922, and at London in 1930, agreements were reached on specific ratios among the Big Five and the Big Three of those days, while the Geneva Disarmament Conference of 1927 broke up in disagreement. Why? I suggest that one reason is that the treaties of 1922 and 1930 were linked with what were thought to be security measures, while the Geneva Conference was not. The Washington naval-limitation treaty was negotiated simultaneously with two important political instruments—the Nine- and Four-Power pacts—which sought to stabilize a part of the world political structure, and the London Conference followed the signing of the Kellogg-Briand pact, which was regarded as a security pact. We know only too well how false a belief that was, and that the failure of both conferences to provide effective safeguards proved nearly fatal.

A most interesting aspect of the disarmament efforts of the twenties and thirties was the attitude of the Soviet Union. From 1921 to 1932 the Soviet Government manifested by official statements and by participation in international conferences a keen interest in disarmament.

Although not invited to the Washington Disarmament Conference of 1921, the Soviet Government informed the conference that “it would be happy to welcome any disarmament or reduction in military forces which burdened the workers of all countries.”

The Soviet Government participated actively in the Preparatory Commission for General Disarmament from 1927 to its conclusion in 1930, and in the General Disarmament Conference from its inception in 1932 to its death at Hitler's hand in the middle thirties.

The world still recalls the resounding words of Mr. Litvinoff when he submitted the Soviet draft convention for “immediate, complete and general disarmament” in 1927 and again in 1932. Litvinoff's declaration that the road to peace is through disarmament and that disarmament means total disarmament shook the world conferences. It is extremely interesting to note that the Russian plan of those days contained provisions for international controls and international inspection, and

for punitive action against violators based on a majority vote in the international control organ.

The Soviet proposals for total disarmament were rejected, as were their proposals for partial limitation and reduction of armaments. Both were far-reaching and contained basic elements absent from the proposals of other powers.

Three points should be noted about those proposals. In the first place the emphasis was on *disarmament* as a road to peace, and not on the establishment of conditions of security as the road to disarmament. Litvinoff expressed the Soviet view concisely when he said in 1932 that “the task of the hour is not the repetition of any attempts to achieve some reduction of armament on war budgets . . . but the actual prevention of war with the creation of effective security against war. *This task can only be carried out by means of total and general disarmament.*”

The second significant aspect of the Soviet proposals of 1927 and 1932 is that not only would total disarmament have been to the positive advantage of the only Communist state in a world of capitalist powers, but proposals for such disarmament were, as Allen Dulles has recently suggested in an article in *Foreign Affairs*, “calculated to expose the hypocrisy of the capitalist states, even though [the Soviet Government] considered as a foregone conclusion that they would not be accepted.”

The sixth congress of the Comintern in 1928 described this position with, as Mr. Dulles says, “complete frankness”.

“The aim of the Soviet proposals”, it said, “was not to spread pacifist illusions, but to destroy them; not to support Capitalism by ignoring or toning down its shady sides, but to propagate the fundamental Marxian postulate, that disarmament and the abolition of war are possible only with the fall of Capitalism . . . it goes without saying, that not a single Communist thought for a moment that the imperialist world would accept the Soviet disarmament proposals . . . after the Soviet proposals for complete disarmament were rejected, the Soviet Delegation in March 1928 submitted a second scheme which provided for partial disarmament and for a gradual reduction of land and naval forces. This was not a concession to pacifism; on the contrary, it served to expose more completely the attitude of the Great Powers toward the small and oppressed nations. The Soviet Government's position on the question of disarmament

is a continuation of Lenin's policy and a consistent application of his precepts."

A third comment on the Soviet proposals is that then, as now, a nation whose principal strength lies in manpower would have much to gain from complete disarmament. Men may be speedily recalled to the colors. Ships and planes take time—a long time—to build, and while they are building the nation which must rely on them remains impotent.

What lessons can we draw today from the unhappy history of the interwar period of false peace?

First, no responsible peace-loving state can afford to reduce its armaments except in so far as its security is adequately provided for. As Mr. Parodi, the French Delegate, phrased it in the recent General Assembly, "disarmament is impossible without security organized along parallel lines."

Secondly, the effective regulation and reduction of armaments requires adequate safeguards to protect complying states against the hazards of violations and evasions. These safeguards must be both political and technical in character. Political safeguards would include conditions of political equilibrium and provisions against violations of any agreement. By technical safeguards I mean provisions, such as inspection under international authority, which would insure timely and adequate knowledge of any violation of any arms-control agreement.

Thirdly, the unilateral disarmament of the United States would be a menace not only to its own security but to the peace and security of the world. This fact is, I believe, recognized not only in this country but by thoughtful persons abroad, who are fully aware that the weakness of the United States in 1939 was an invitation to aggression against the peace-loving nations of Europe, as its weakness was from 1931 an invitation to aggression in the Far East and eventually in the Pacific, at Pearl Harbor.

The Government of the United States is determined to remember those lessons and act upon them. It will seek its security through the United Nations and through means consistent with the Charter. It fervently upholds the concept embodied in the Charter phrase *international peace and security*, in which the two ideas of peace and security are coupled together. It insists and will

continue to insist that in this atomic age nothing short of true security can be acceptable. It is therefore determined that the regulation of armaments shall be accompanied by adequate safeguards. It will not again disarm unilaterally, and it will resist all efforts, from whatever source, to induce it and the American people to accept measures which might lead to the unilateral disarmament of this country.

The lessons of the past are written into the Charter of the United Nations. The Charter repeatedly employs the phrase *international peace and security*. It rejects the concept of the League Covenant that disarmament is basic to peace. Instead, it proclaims the thesis that peace depends upon power used in conformity with its purposes and principles.

The Charter rests on the belief that the power relationship among the great states provides an important answer to the search for international security.

The Charter acknowledges that the great powers, because they are great powers, have special responsibilities toward the rest of the world.

The Charter recognizes that armed forces are necessary to the maintenance of international security. It provides that the Security Council shall have armed forces at its disposal, to be made available to it by the member states.

The Charter thus recognizes the use of force under law in international society. It acknowledges that certain great states are endowed with exceptional capacity to wage modern war, and that world peace depends upon the ability of these great powers to settle their problems peacefully.

The regulation and reduction of armaments is not in the Charter as a first principle of security, but is made a subsidiary and contributing factor to the major objectives of international peace and security.

You will have observed that in my title and elsewhere I have used the term *regulation of armaments*. I have done so deliberately. I believe we should avoid the word *disarmament*. It is misleading. "Regulation of armaments," which is Charter language, describes more accurately the goal we seek.

Regulation means that the control of armaments as envisaged in the Charter must be multilateral, systematic, and related to the responsibilities for maintaining peace and security. Those states pri-

marily charged with the responsibility of maintaining peace and security must have the power to implement that responsibility. It is on this basis that reduction must be carried out.

So far I have spoken of the regulation of armaments in general. In doing so I have stressed the difficulties of the problem and painted a rather gloomy picture, which, nevertheless, in my opinion is in accordance with the facts.

I wish to turn now very briefly to the international control of atomic energy. In a sense this is a problem of arms regulation. But it is much more than that. It is more because atomic weapons are so infinitely more destructive than all other weapons, and because of the enormous potential benefits which atomic energy holds for mankind, benefits which cannot be fully realized unless atomic weapons can be controlled.

The control of atomic energy calls for special treatment. That is why the United States, long before any serious thought was given to the general regulation and reduction of armaments, took steps looking toward the effective control of this new force. That is why we still desire to have it dealt with separately. That is why we still believe agreement for its control should come first.

The guns of World War II had hardly been silenced when this Government, together with the Governments of the United Kingdom and Canada, took the first momentous steps toward the goal of international control of atomic energy. On November 15, 1945, three weeks after the United Nations Charter came into force, and nearly two months before the United Nations began functioning, a joint statement, the Three Nation Agreed Declaration, was issued. The three nations—those responsible for developing this great new force in the affairs of men—proposed to strive for its control internationally. They declared their intention of seeking suitable methods of international control of atomic energy which, when put into effect in collaboration with other nations, would insure its use for peaceful purposes only, and eliminate from national armaments atomic weapons and other weapons adaptable to mass destruction. They proposed to seek this goal through the United Nations.

In December 1945 this Government, jointly with Great Britain, asked for and received from the Soviet Government a promise of collaboration to this end. This agreement was embodied in the

Moscow communiqué and was adhered to by France and China as well.

As a result, the General Assembly of the United Nations on January 24, 1946, adopted a resolution establishing the United Nations Atomic Energy Commission.

The position of leadership assumed by the United States with respect to the international control of atomic energy has been maintained ever since. Between the Moscow Conference and the first meeting of the Atomic Energy Commission on June 14, 1946, the United States carefully worked out proposals for control and development. First came the dynamic, imaginative, practical document known as the "Acheson-Lilienthal report", prepared under a directive from Secretary of State Byrnes. Then Mr. Bernard M. Baruch, United States representative to the Atomic Energy Commission, building upon the Acheson-Lilienthal recommendations, developed proposals which he presented forcefully to the Commission at its opening session.

Mr. Baruch and his colleagues continued for the next six months to exert strong leadership in the Commission. Mr. Austin and his deputy, Mr. Osborn, who have now taken over the task, are carrying on with vigor.

Surely our record is without parallel. The United States, possessing the world's most terrifying and destructive weapon, has offered and continues to offer to renounce the use of the weapon and to give up its special knowledge. All that we ask in return is that we may be absolutely assured the weapon will not be used against us.

The work of the Atomic Energy Commission is well known. From the beginning the United States has held that there must be an international authority, with control over dangerous source and fissionable materials, with full powers of inspection, with great responsibilities in the field of development and research. We further insist that, while atomic weapons must be outlawed, this must be done only as part of an over-all plan for effective international control. We also insist upon measures which will reduce to a minimum the possibilities of violation of any agreement and insure swift and certain punishment if any violation should occur.

Nine other members of the Atomic Energy Commission, by voting for the report which it submitted to the Security Council on December 31,

1946, subscribed to these views; so, too, apparently have the new members of the Commission and of the Security Council.

Until this month the attitude of the Soviet Union had not been entirely clear. Since last June the U.S.S.R. has publicly pressed for immediate outlawry of the bomb and the cessation of production of bombs by this country, while at the same time advocating that a convention for control be worked out later. The Soviet representatives have held to these views so tenaciously as to give rise to a suspicion that the principal Soviet aim in the United Nations discussions has been to disarm the United States unilaterally and immediately by multilateral agreement, while preventing or delaying the establishment of a system which would assure us that no other country is producing or in possession of atomic bombs.

It was also known, of course, that Mr. Gromyko in July considered the United States proposals as "unacceptable in whole or in part". Statements by Gromyko himself, Molotov, and Stalin during the autumn led, however, to a hope that the Soviet position might have been somewhat modified. The fact that the U.S.S.R. abstained, instead of voting in the negative, on the Atomic Energy Commission's report in December reinforced the hope.

Mr. Gromyko demolished that hope by his statement in the Security Council on March 5. It is now all too evident that virtually all, if not all, of the provisions which the United States regards as essential for the international control of atomic energy are at present unacceptable to the U.S.S.R.

The outlook now, as the Atomic Energy Commission resumes its labors, is dark. Of that there can be no question. Yet I, for one, do not despair.

I am sustained by the conviction that the inescapable logic of the facts must lead to the eventual recognition that a solution must be found which will carry out the Commission's mandate. That mandate requires, among other things, that it submit specific proposals: "for control of atomic energy to the extent necessary to ensure its use only for peaceful purposes . . . for the elimination from national armaments of atomic weapons . . . for effective safeguards by way of inspection and other means to protect complying States against the hazards of violations and evasions."

The Commission for Conventional Armaments, established by the Security Council resolution of

February 13, has just begun its work. It would be fruitless and unwise to attempt to predict its future.

Bearing in mind, however, the history of earlier endeavors in the field of disarmament, one can safely prophesy that its task will be immensely complicated and slow of fulfilment. The report which it is to submit at the end of three months can, I believe, be at most an outline of its problem and a suggestion of the way in which it plans to tackle the job.

Past history suggests too, that real progress will have to be sought through establishment of basic conditions of security and through study of the problem of safeguards.

What course the Soviet Union will follow cannot be foretold. Mr. Gromyko has not yet made a policy statement in the Commission. There is no reason, however, to believe that Soviet interests or objectives have undergone any basic alteration since 1932. Indeed the position which Soviet representatives have taken in the United Nations discussions to date suggests they have not. It would therefore be logical to expect Mr. Gromyko to press for outright disarmament, or at least substantial reduction of arms, and to appear to call for real regulation of armaments, while in fact taking little account of and making no adequate provision for the safeguards which are essential to the establishment and maintenance of true world security.

The attitude with which the United States Government looks forward to the work of the Commission is, I believe, evident from what I have already said. It was clearly set forth by Mr. Herschel Johnson in the Commission earlier this week.

In sum it is that both the fulfilment of our commitment under the Charter to the principles of international collective security and our national self-interest require us to insist that practical security arrangements be a primary consideration in any program for the general regulation and reduction of armaments.

As conditions of international security are achieved, as general settlements among the great powers are made, the regulation and reduction of armaments will naturally follow. If the United States were to agree to reduction of armaments without safeguards, reduction of armaments with-

*(Continued on page 715)*

# United States Membership and Participation in the World Health Organization

## THE PRESIDENT'S LETTER OF TRANSMITTAL<sup>1</sup>

*To the Congress of the United States:*

I am transmitting herewith for your consideration a suggested joint resolution, providing for United States membership and participation in the World Health Organization. I also am enclosing a memorandum from the Secretary of State, with reference to United States membership in the World Health Organization.

I have been impressed by the spirit of international good will and community of purpose which have characterized the development of the constitution of this Organization. I am sure that it will make a substantial contribution to the im-

provement of the world-health conditions through the years.

I have been impressed by the spirit of international health problems, I consider it important that the United States join the World Health Organization as soon as possible. Therefore, I hope that the suggested joint resolution may have the early consideration of Congress.

HARRY S. TRUMAN

THE WHITE HOUSE, *March 21, 1947*

(Enclosures: (1) Joint resolution; (2) memorandum from Secretary of State.)

## JOINT RESOLUTION

### Providing for membership and participation by the United States in the World Health Organization and authorizing an appropriation therefor

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That the President is hereby authorized to accept membership for the United States in the World Health Organization (hereinafter referred to as the Organization), the constitution of which was adopted in New York on July 22, 1946, by the International Health Conference for the Establishment of an International Health Organization, and deposited in the archives of the United Nations.

SEC. 2. The President shall designate from time to time to attend a specified session or specified sessions of the World Health Assembly of the Organization not to exceed three delegates of the United States and such number of alternates as he may determine consistent with the rules of procedure of the World Health Assembly. One of the delegates shall be designated as the chief delegate. Whenever the United States becomes entitled to designate a person to serve on the Executive Board

of the Organization, under article 24 of the constitution of the Organization, the President shall designate such person who shall be entitled to receive compensation at a rate not to exceed \$12,000 per annum for such period or periods as the President may specify, except that no Member of the Senate or House of Representatives or officer of the United States who is thus designated shall be entitled to receive such compensation. The President may also designate such alternates as may be deemed necessary.

SEC. 3. There is hereby authorized to be appropriated annually to the Department of State, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary for the payment by the United States of its share of the expenses of the Organization, including those incurred by the Interim Commission, as apportioned by the Health Assembly in accordance with article 56 of the constitution of the Organization, and such additional sums as may be necessary to pay

<sup>1</sup> H. Doc. 177, 80th Cong., 1st sess.



the expenses incident to participation by the United States in the activities of the Organization, including (a) salaries of the officials provided for in section 2 hereof, and appropriate staff, including personal services in the District of Columbia and elsewhere without regard to the civil-service and classification laws; (b) travel expenses without regard to the Standardized Government Travel Regulations, as amended, the Subsistence Expense Act of 1926, as amended, and section 10 of the Act of March 3, 1933, as amended, and, under such rules and regulations as the Secretary of State may prescribe, travel expenses of families and transportation of effects of the United States officials provided for in section 2 hereof and other personnel

in going to and returning from their post of duty; (c) allowances for living quarters, including heat, fuel, and light, as authorized by the Act approved June 26, 1930 (5 U.S.C. 118a), and similar allowances for persons temporarily stationed abroad; (d) cost of living allowances under such rules and regulations as the Secretary of State may prescribe, including allowances to persons temporarily stationed abroad; (e) services as authorized by section 15 of Public Law 600, Seventy-ninth Congress; (f) official entertainment; (g) local transportation; and (h) printing and binding without regard to section 11 of the Act of March 1, 1919 (44 U.S.C. 111), and section 3709 of the Revised Statutes, as amended.

#### MEMORANDUM FROM THE SECRETARY OF STATE

*Subject: United States Membership in the World Health Organization.*

The attached joint resolution authorizes the President to accept the constitution of the World Health Organization so that the Organization may be established and begin its work at an early date.

The United States Senate expressed itself in favor of the early formation of such an Organization in adopting Senate Joint Resolution 89, Seventy-ninth Congress, First session, on December 20, 1945:

. . . That there should be the speedy convening of an International Health Conference and the early formation of an International Health Organization as one of the objectives of the United Nations Organization, and that the President is hereby requested, on behalf of the Government of the United States, to urge upon the United Nations Organization the prompt convening of such Conference and the formation of such an Organization.

The Senate committee report on this resolution stated:

There is today no international health agency organized or equipped to cope with many of the health problems of the rapidly changing world. This committee believes that the creation of such an agency is an urgent necessity for the well-being of every American citizen as well as for world health. . . .

Disease does not respect national boundaries. Particularly in our shrinking world, the spread of

disease via airplane or other swift transport across national boundaries gives rise to ever-present danger.

Since the adoption of this resolution by the Senate, an International Health Conference has been held, a constitution of a World Health Organization signed by 61 states, and an Interim Commission established.

Because of the urgent need for an International Health Organization, the General Assembly of the United Nations adopted on December 14, 1946, a resolution recommending to all members of the United Nations the acceptance by them of the constitution of the World Health Organization at the earliest possible date. Further, the Twelfth Pan-American Sanitary Conference, meeting in Caracas, Venezuela, January 12-24, 1947, adopted a resolution recommending to the Governments of the American Republics approval of the constitution of the World Health Organization signed in New York City on July 22, 1946, in accordance with their respective constitutional processes.

In the opinion of the Department of State, a broad-gaged international organization in the field of health, such as the World Health Organization, is absolutely essential to attack diseases at their source, to prevent their spread until brought under control, and to raise the health level of peoples, in this and every other country.

No one nation has a monopoly of medical skills and talents. Our own present high standards of medical technique stem from contributions made by scientists in all parts of the world. Microscopic

life was discovered by a Netherlander, antiseptic technique by an Englishman, the germ theory of disease and immunization by a Frenchman. We owe to other countries some of the most powerful weapons against disease which we used to good effect during the recent war—penicillin, the sulfa drugs, DDT, and atabrine. Cooperation of medical scientists and public-health experts of all countries will advance the study of disease and the development of means of control.

All countries, the more advanced in medical science and public health as well as those in which progress has been slower, stand to gain from international cooperation in the field of health. Through the machinery of the World Health Organization, the United States, which is one of the countries far advanced in medical science and public health, can play an important role in improving the health conditions of more backward states. The World Health Organization, however, is a joint enterprise and, like other states, the United States stands to gain significantly from participation in it. Some of the very real ways in which we stand to gain, in addition to protection against invasion of disease, may be briefly stated as follows:

Opportunities will be provided for our scientists to make intensive studies of diseases which, although not present in the United States, constitute a threat to us, and of diseases which, although present here, are not sufficiently common to offer adequate research opportunities.

Results of research performed on an international basis, a field of activity which deserves intensification, will be immediately available to us.

We shall receive a constant flow of information concerning health and medical advances throughout the world.

Demands will be created for American skills, scientific and technical equipment and diagnostic and therapeutic products through world-wide familiarity with them.

The development of international standards for drugs and biologicals by the World Health Organization will have important advantages for our pharmaceutical industry which is prepared to supply other countries with products of high quality.

In the field of disease control, we have been accustomed to rely on international quarantine for our protection. Such control becomes ineffective

when international travel can be accomplished, as it is today, within the incubation, or undetectable, period of disease, and within the infectible period of healthy carriers of such diseases as cholera. Even where there are grounds for suspecting the presence of disease, a traveler coming from Africa in 20 hours will scarcely want to submit to 6 days' isolation. It is the consensus among public-health experts and medical authorities generally, as repeatedly expressed at the International Health Conference, that the control of the international spread of disease can rest now only upon the development of strong national health services capable of controlling epidemic disease at its source. Such development, it is believed, can best be stimulated and brought to fruition by an international health organization, broad in its scope, dedicated to the strengthening of national health services and of such standing as to merit the confidence of governments and invite consultation by them.

There is no such organization at the present time. The Pan American Sanitary Bureau is geographically limited by its regional character, the Health Organization of the League of Nations has been dissolved and its functions transferred to the Interim Commission established by the International Health Conference; the International Office of Public Health, which has operated in the technical field of international exchange of epidemiological information, is awaiting formal dissolution while its functions are being assumed by the Interim Commission; and the Health Division of UNRRA, an important but temporary agency, is disbanding.

Recognition of the need for a new international health organization prompted the calling of the International Health Conference which met in New York, June 19–July 22, 1946. This, the first international conference convened by the United Nations, was the largest and most representative international conference ever held in the field of health, being attended by representatives of 64 states. The official delegations to the Conference were for the most part composed of technically qualified persons, such as ministers of health, chiefs of national health services, distinguished practicing physicians and medical educators.

The constitution of the World Health Organization, which was formulated by the International Health Conference and signed by representatives of 61 states, provides for a single International

Health Organization with which existing international health organizations will be integrated.

The constitution presents the objectives of the new Organization as "the attainment by all people of the highest possible level of health" (art. 1).

It sets out the means by which the Organization shall seek to realize its objective. Probably the most important function given to the Organization is that of assisting states, at their request, in strengthening their national-health services. The immense value of this type of international action in the health field has been dramatically demonstrated by the Health Organization of the League of Nations and the Pan American Sanitary Bureau. This does not mean that the Organization will have, in any way, authority to intervene in the administration of health or medical care in any state.

The functions of the Organization include, further, the collection and improvement of world-wide disease statistics; the centralization, consolidation, and distribution of health and medical knowledge; the promotion and conduct of research in the field of health; the continuation and further development of the highly important work done by the League of Nations in the standardization of drugs and biological preparations; and the promotion, in cooperation with other international organizations, of the improvement of nutrition, housing, sanitation, recreation, economic or working conditions, and other aspects of environmental hygiene (art. 2).

Thus the Organization will engage in activities such as the above-mentioned Senate committee report envisaged:

Health conditions do not improve automatically, but only as the result of organized, concerted activity. It is not enough to control the spread of disease. In the long run it will be necessary to eradicate their causes, and this can be done only through united international effort. . . . The maintenance of good health is not only a matter of quarantine and vaccinations. It is also essential that the social and economic bases for healthful living be established; income adequate to maintain at least a decent standard of living; good nutrition, housing, clothing, and working conditions; and education and cultural opportunity must be included as goals in any effective health program. For this reason a close relationship be-

tween the Economic and Social Council of the United Nations Organization and the proposed Health Organization is necessary.

One of the most significant advances in the constitution of the World Health Organization is the authority given to the Organization to adopt regulations in certain prescribed technical fields. Under these provisions of the constitution the right of any government to reject regulations which it finds unacceptable is fully protected. The regulatory provision was inserted in an effort to create a mechanism which would permit rapid general application of new scientific techniques to the control of the international spread of disease. This is in accord with a suggestion made in the Senate Foreign Relations Committee, when considering the sanitary conventions of 1944, that some way be found to accomplish this purpose without the necessity of referring to the Senate new treaties drawn solely to incorporate new technical procedures into existing agreements (arts. 21-22).

As to the structure of the World Health Organization, the constitution provides for (1) a Health Assembly, on which all member states shall be represented by from one to three delegates; (2) an Executive Board, composed of 18 persons designated by as many states; and (3) a Director-General and a Secretariat (chs. V, VI, and VII, respectively).

The Organization will be supported by contributions from member states. The Health Assembly will approve the budget and apportion the expenses among the members in accordance with the scale which it determines (arts. 55-57).

The constitution anticipates the establishment of close working relations between the Organization and other international organizations with related interests. It provides that the Organization shall be brought into relationship with the United Nations as a specialized agency, by special agreement (arts. 69-70).

The development of the constitution has taken place in a continuous atmosphere of international good will, mutual respect, and singleness of purpose. The history of effective international action in the field of health during the past half century and the harmonious development of the present constitution are convincing evidence that health offers a field in which international cooperation can contribute substantially to the welfare of man-

kind and to harmony among nations. It is clear that the World Health Organization will have a larger initial membership than has been the case with other specialized organizations. The constitution was signed on behalf of all members of the United Nations and nine states, nonmembers of the United Nations. Representatives of 61 states signed the arrangement which established the Interim Commission.

The constitution will come into force and the Organization will be established when 26 members of the United Nations have notified the Secretary-General of the United Nations of their acceptance of the constitution. Six members of the United Nations have thus far taken the necessary action (China, Canada, Iran, New Zealand, Syria, United Kingdom).

The constitution was signed by representatives of the United States, subject to subsequent approval by this Government. United States approval given subsequent to the adoption by both Houses of Congress of the attached joint resolution, which authorizes the President to accept the constitution on behalf of the United States and authorizes appropriations for United States participation, will speed the establishment of the Organization and the convening of the first World Health Assembly. Particular importance is attached to United States approval since there is reason to believe that several other states will approve the constitution within a short time after the United States has given its approval.

The participation of the United States in this Organization will be another manifestation of the determination of this Government, which has been emphasized by the President and Congress, to give continuing full support to the United Nations.

G. C. MARSHALL

(Enclosure: A certified copy of the final acts of the International Health Conference.<sup>1</sup>)

<sup>1</sup> Not printed.

<sup>2</sup> U.N. doc. E/AC.7/2, Mar. 5, 1947.

## Narcotic Drugs—Continued from page 692

gested the adoption of a resolution<sup>2</sup> concerning the control of narcotic drugs in Japan similar to that agreed upon for Germany. Mr. Nash (New Zealand) then proposed a compromise recommendation which, as amended by the representatives of the United States and the United Kingdom, was finally adopted by the Committee on Social Affairs and approved by the Economic and Social Council (resolution G as given above).

The third paragraph of resolution H on appointments to the Permanent Central Opium Board is important. It may result in the drafting of a protocol amending or deleting the following paragraph in article 19 of the international drug convention signed at Geneva on February 19, 1925: "The members of the Central Board shall not hold any office which puts them in a position of direct dependence on their governments."

Mr. Borisov in the second meeting of the Committee on Social Affairs, March 4, 1947, raised the question how this provision could be applied to all members of the United Nations, as in many countries industry and numerous other activities were under state control. Dr. Sze (China) suggested that immediate steps should be taken to revise the 1925 convention so as to avoid the difficulty mentioned by the representative of the Union of Soviet Socialist Republics and in order to insure adequate and competent representation on the Board. Mr. Borisov said that he considered it imperative that the Committee should recommend to the Economic and Social Council the earliest possible revision of article 19. At the conclusion of the debate, the Committee decided upon the action embodied in the third paragraph of resolution H.

The Economic and Social Council, in adopting the above-mentioned resolutions, has taken firm action to reestablish and improve narcotic controls, to further the abolition of the use of smoking opium throughout the world, and to advance the preparatory work for the limitation of the production of narcotic raw materials.

# INTERNATIONAL ORGANIZATIONS AND CONFERENCES

## Calendar of Meetings<sup>1</sup>

In Session as of April 13, 1947		1946			
Far Eastern Commission . .	Washington .	Feb. 26		Permanent Central Opium Board.	Geneva . . . Apr. 14-19
United Nations:				Committee on Progressive Development and Codification of International Law.	Lake Success . May 1
Security Council . . . . .	Lake Success .	Mar. 25		Economic Commission for Europe: First Plenary Session.	Geneva . . . May 12 <sup>2</sup>
Military Staff Committee .	Lake Success .	Mar. 25		Preparatory Conference of Experts on Telecommunications.	Lake Success . June 9 <sup>2</sup>
Commission on Atomic Energy.	Lake Success .	June 14		Economic Commission for Asia and the Far East: First Plenary Session.	Shanghai . . June 5 <sup>2</sup>
Telecommunications Advisory Committee.	Lake Success .	Nov. 10		ECOSOC (Economic and Social Council): Subcommission on Protection of Minorities and Prevention of Discrimination.	Lake Success . Apr. 21 <sup>2</sup>
		1947		Fiscal Commission . . .	Lake Success . May 19 <sup>2</sup>
Commission on Conventional Armaments.	Lake Success .	Mar. 24		Subcommission on Freedom of Information and of the Press.	Lake Success . May 5 <sup>2</sup>
Trusteeship Council . . .	Lake Success .	Mar. 26		Social Commission . . .	Lake Success . May 26 <sup>2</sup>
German External Property Negotiations (Safehaven):		1946		Subcommission on Statistical Sampling.	Lake Success . June 2 <sup>2</sup>
With Portugal . . . . .	Lisbon . . .	Sept. 3		Economic and Employment Commission.	Lake Success . June 9 <sup>2</sup>
With Spain . . . . .	Madrid . . .	Nov. 12		Human Rights Commission.	Lake Success . June 16 <sup>2</sup>
Inter-Allied Trade Board for Japan.	Washington .	Oct. 24		ICAO (International Civil Aviation Organization): European-Mediterranean Special Air Traffic Control Conference.	Paris . . . . Apr. 15
		1947		Interim Council . . . . .	Montreal . . Apr. 29
Council of Foreign Ministers .	Moscow . . .	Mar. 10		Air Transport Committee .	Montreal . . April
International Wheat Conference.	London . . .	Mar. 18- Temporarily adjourned; will reconvene Apr. 14.		First Meeting of General Assembly.	Montreal . . May 6
WHO (World Health Organization): Third Session of Interim Commission.	Geneva . . .	Mar. 31-Apr. 11.		South American Regional Air Navigation Meeting.	Lima . . . . June 17
UNESCO Executive Board .	Paris . . . .	Apr. 10-16		International Tin Study Group: First Meeting.	Brussels . . . Apr. 15-18
International Conference on Trade and Employment: Second Meeting of Preparatory Committee.	Geneva . . .	Apr. 10		FAO (Food and Agriculture Organization): Ad hoc Salt Fish Working Party.	Washington . Apr. 21-25
Scheduled April-June 1947					
International Red Cross Committee.	Geneva . . .	Apr. 14-26			
ECITO (European Central Inland Transport Organization): Seventh Session of the Council.	Paris . . . .	Apr. 14			
United Nations:					
Meeting of Experts on Passport and Frontier Formalities.	Geneva . . .	Apr. 14			

<sup>1</sup> Prepared in the Division of International Conferences, Department of State.

<sup>2</sup> Tentative.

*Calendar of Meetings—Continued*

International Timber Conference.	Marianske-Lazne, Czechoslovakia.	Apr. 28-May 10	IRO (International Refugee Organization): Second Part of First Session of Preparatory Commission.	Lausanne . .	May 1
Rice Study Group . . . .	Trivandrum, Travancore, India.	May 15	Congress of the Universal Postal Union.	Paris . . . .	May 6
Executive Committee . . .	Washington .	June 2	International Radio Conference.	Atlantic City.	May 15
Fifth International Hydrographic Conference.	Monaco . . .	Apr. 22	PMCC (Provisional Maritime Consultative Council).	Paris . . . .	May 16
ILO (International Labor Organization):					
Industrial Committee on Coal Mining.	Geneva . . .	Apr. 22	IEFC (International Emergency Food Council): Fourth Meeting.	Washington .	May 26-27
Industrial Committee on Inland Transport.	Geneva . . .	May 6	IARA (Inter-Allied Reparation Agency): Meeting on Conflicting Custodial Claims.	Brussels . . .	May
101st Session of Governing Body.	Geneva . . .	June 13			
30th Session of International Labor Conference.	Geneva . . .	June 19			
American International Institute for the Protection of Childhood: Meeting of the International Council.	Montevideo .	Apr. 25	Eleventh International Congress of Military Medicine and Pharmacy.	Basel . . . .	June 2-7
International Meeting on Marine Radio Aids to Navigation.	New York and New London.	Apr. 28-May 10	International Cotton Advisory Committee.	Washington .	June 9
			Caribbean Commission: Fourth Meeting.	Jamaica . . .	June 23-30

*Activities and Developments*

**INTERIM PRINCIPLES FOR RESTITUTION OF IDENTIFIABLE PROPERTY CONFISCATED IN JAPAN FROM ALLIED NATIONALS<sup>1</sup>**

1. The Supreme Commander for the Allied Powers should be authorized to restore to nationals of any of the United Nations identifiable property, tangible or intangible, which was located in Japan prior to the outbreak of hostilities between their government and the government of Japan

and owned by them at that time or lawfully acquired thereafter, and which was seized, confiscated, or sequestered, formally or otherwise, during the recent hostilities by the Japanese Government, members of its armed forces, or by official or private Japanese or other enemy individuals or groups, provided that:

a. Subject to the discretion of the Supreme Commander, restitution should be made at this time only to:

- (1) Natural persons present in Japan;
- (2) Juridical persons where the holders of a controlling interest are nationals of Members of the United Nations now resident in Japan;
- (3) Charitable and religious institutions fi-

<sup>1</sup> Policy decision approved by the Far Eastern Commission on Mar. 6, 1947, and released to the press by the Commission on Apr. 10, 1947. A directive based upon this policy decision has been forwarded to the Supreme Commander for the Allied Powers for implementation.

nanced primarily by non-Japanese funds, where a duly authorized agent or properly qualified person is resident in Japan to receive title;

*b.* Without in any way prejudging the definitive policy later to be adopted by the Far Eastern Commission with respect to the disposition of large-scale enterprises, only small-scale commercial and industrial enterprises should be restored at the present time;

*c.* Though title to gold, other precious metals and foreign exchange may be restored to the United Nations owners, they should remain subject to the laws and regulations in force at any time governing the custody, control and transfer of such assets;

*d.* The Supreme Commander is satisfied as to the identification of such property.

2. The policy for restitution of similar property to nationals of Members of the United Nations who are not resident in Japan at present will be dealt with in a future paper.

3. For the purpose of determining whether property was in fact confiscated it should be assumed that all property taken by the Japanese or other enemy Government, Armed Forces, or nationals during the recent hostilities from nationals of any of the United Nations was confiscated whether or not payment was made at the time of acquisition unless it can be definitely shown that no duress or fraud was involved.

4. The restitution of property should be made without expense for the owners and without prejudicing the claim of the original owners against the Japanese or other enemy Government and/or their nationals for damages to property, rent, depreciation, and other ascertainable losses. To facilitate the preparation and adjudication of claims, agreed statements as to the extent and condition of the property restored should be drawn up at the time of its return. The Japanese Government should be required to furnish to the owner a complete inventory of the property together with a report by the Japanese official administrator on the management of it and, in the case of industrial and commercial concerns, a closing balance sheet.

5. If payment to restoree was made at the time of confiscation the Supreme Commander for the Allied Powers should require persons repossessing the property to agree to remit such amounts to the Japanese Government as a prerequisite to restitution. However, actual payment of such amounts

should be made only after settlement of claims as specified in paragraph 3 above.

6. If funds received in payment for confiscated property were blocked by the Japanese Government, such funds should be unblocked and the owner permitted to draw upon them on the same basis as depositors in general draw upon their bank funds, except that in the event that the confiscated property is returned such funds should be unblocked only in an amount sufficient to make the payment required in paragraph 5 above.

7. The right to restitution provided in the foregoing paragraphs and even the completion of restitution should not be considered as permission to operate properties where the Supreme Commander for the Allied Powers considers the operations of such property injurious to the occupying forces or to the purposes of the occupation. Similarly, the operation of properties considered by the Supreme Commander for the Allied Powers upon consultation with the Allied Council for Japan in accordance with the Terms of Reference of the Allied Council for Japan to be beneficial to the occupying forces and/or the accomplishment of the purposes of the occupation should not await restitution of title or the transfer of possession of such properties; but in such cases compensation for the use of the property should be paid for the account of the owner.

8. Japanese nationals injured by the provisions of the foregoing paragraphs should look to the Japanese Government for relief.

#### **U. S. DELEGATION TO ICAO AIR TRAFFIC COMMITTEE FOR EUROPEAN-MEDITERRANEAN REGION**

[Released to the press April 11]

The Acting Secretary of State announced on April 11 the designation of the following delegation to represent the United States at the second special meeting of the Air Traffic Control Committee for the European-Mediterranean Air Navigation Region of the International Civil Aviation Organization, which will convene at Paris, France, on April 15, 1947:

##### *Chairman of the delegation:*

Glen A. Gilbert, Chief of Special Missions, Civil Aeronautics Administration, Department of Commerce

##### *Alternates:*

Horace F. Amrine, Aviation Division, Department of State  
Walter Swanson, Civil Aeronautics Administration, Department of Commerce



*Advisers:*

Jesse Fenno, Civil Aeronautics Board

Peter Caporale, Civil Aeronautics Administration, Department of Commerce

Col. Joseph Duckworth, Army Air Forces

Upon arrival at Paris the delegation will be augmented by about 15 representatives of the Civil Aeronautics Administration and the Army Air Forces in Europe.

This meeting will mark the first regional gathering since the permanent International Civil Aviation Organization came into being on April 4, 1947. The permanent organization replaces the provisional organization which has been operating with headquarters at Montreal, Canada, since its establishment following the International Civil Aviation Conference at Chicago in 1944. The necessary twenty-sixth state ratified the aviation convention on March 4, 1947, and under the terms of that convention the permanent organization came into being one month later.

Under the terms of the provisional organization the Interim Council at Montreal approved the convening from time to time of those regional committees which had need of meeting in order to create or maintain those standards of operation on international air trunk routes which have been subscribed to by the member states. The inaugural regional meeting, at which the Air Traffic Control Committee for the European-Mediterranean Region, along with five other regional committees, was formed, was held last May. The first special session of the Air Traffic Control Committee for the European-Mediterranean Region was held in November, and the forthcoming Paris meeting will be the second session.

The Committee will restudy and possibly recommend the amending of existing air-traffic-control rules, procedures, and facilities for the region. The recommendations of the Committee will be submitted to the ICAO Council at Montreal, which will make the final decisions.

## The Joint Campaign Against Foot-and-Mouth Disease in Mexico

ARTICLE BY JOHN A. HOPKINS<sup>1</sup>

A new and highly important instrument for cooperation between the United States and Mexico was set up in late March 1947 with the establishment of a joint office for the eradication of foot-and-mouth disease in Mexico. Headquarters of the agency are to be located in Mexico City. Oscar Flores, Mexican Under Secretary of Animal Industry, has been appointed director. Dr. M. S. Shahan, research scientist and veterinarian of the Bureau of Animal Industry, Agricultural Research Administration, United States Department of Agriculture, is co-director. An administrative board, which will determine operating policy and exercise general supervision over the campaign, consists of the following persons:

*Mexico*

José Figueroa, member of the Mexican National Commission for the Eradication of Foot-and-Mouth Disease

Francisco Rubio Lozano, Ministry of Agriculture and Animal Industry

Ignacio de la Torre, Ministry of Agriculture and Animal Industry

*United States*

Norris E. Dodd, Under Secretary of Agriculture

Bennett T. Simms, Chief, Bureau of Animal Industry, Agricultural Research Administration, Department of Agriculture

Don Stoops, Assistant Agricultural Attaché, American Embassy, Mexico City

The director and the co-director will also serve, *ex officio*, as members of the administrative board.

### Importance to the United States

The purpose of the new office is to eradicate foot-and-mouth disease from Mexico, and thereby also to protect the great livestock industry of the United States. In January 1946 there were within United States boundaries approximately 82 million head of cattle, 61 million hogs, and 42 million sheep, with an aggregate valuation of 8 billion dollars. By the beginning of 1947, total value of these livestock had risen to over 10 billion dollars.

The entire organization of agriculture in the United States is closely integrated with the live-

<sup>1</sup>Mr. Hopkins is Acting Head of the Latin American Division, Office of Foreign Agricultural Relations, Department of Agriculture.

stock enterprises, and the over-all efficiency of important sectors of our agriculture depends on the ability of our farmers to ship feeder cattle, sheep, or hogs freely from one region to another for fattening or marketing, without fear of transmitting serious livestock diseases in the process.

Cattle, hogs, and sheep are all susceptible to foot-and-mouth disease. The disease is very difficult to combat and expensive to eradicate, once it gains a foothold. The outbreaks that have occurred in the United States in previous years have been of virulent types and have resulted in heavy losses. In countries where the disease is enzootic, losses to farmers result not only from the death of animals but even more from reduced production of dairy products and lower rates of gains on surviving cattle, hogs, or sheep.

Total value of production of beef, milk, pork, mutton, and wool in the United States in 1945 amounted to about 9 billion dollars. With higher prices in 1946, of course, the value of such production was materially higher. At the 1945 rates, even a 1 percent loss would thus amount to 90 million dollars a year.

#### **Outbreak of the Disease in Mexico**

In Mexico the disease is reported to have broken out first on a ranch near Veracruz early in November 1946. For a while it was believed to be vesicular stomatitis, which occurs rather frequently in that area. However, it spread rapidly and suspicion was soon aroused. The United States Department of Agriculture was informed on December 18, 1946, and immediately sent two experienced veterinarians to Mexico in order to cooperate with Mexican authorities in diagnosing the infection. Within a few days the condition was known without question to be foot-and-mouth disease.

The Mexican Government immediately started a control campaign. By this time, however, the infection had spread into eight Mexican States, and cases were reported in an area extending about 150 miles north and south and 300 miles east and west from the city of Veracruz into the Valley of Mexico. Several regiments of the Mexican Army were pressed into service in order to maintain quarantine lines, and various other control measures were adopted to try to keep the epidemic within the region already affected. In spite of these measures, some further spread continued, until in late March the infected zone extended from the State of Chiapas, which borders Guate-

mala, to the States of Zacatecas and Aguascalientes, which are 300 miles northwest of Mexico City. One Mexican authority estimated that 500,000 cattle had already contracted the infection by this time.

#### **Development of the Joint Cooperative Program**

In late December 1946, Oscar Flores, Mexican Under Secretary of Animal Industry, conferred with officials of the United States Department of Agriculture and the Department of State and requested aid in procuring supplies and equipment which the Mexican Government needed for the campaign. At the same time Mr. Flores took the first steps toward developing a cooperative eradication program between the two Governments.

The Mexican Government had divided the country into three zones with regard to the epidemic. The first or infected zone included all the area in which cases of the disease were known to exist. The second zone comprised a buffer region between this and the third, or uninfected, area. Infected or exposed animals were to be destroyed in the second as well as the first zone. In addition, all movement of animals between zones was to be halted. The disease, however, continued to spread, and during the following two months the number of infected animals increased very rapidly, especially in zone one, while a number of small infected areas developed in what was intended to be the buffer zone. Exposed and recovered animals continued to move through the markets of Central Mexico into slaughterhouses in Mexico City, Puebla, and Veracruz, and in addition, a large proportion, perhaps a majority, of the dairy animals in the Valley of Mexico became infected. With this rapid spread, the Mexican Government soon found itself unable either to slaughter all infected or exposed animals or to indemnify their owners.

At the request of the Mexican Government, a subcommission of the Mexican-United States Agricultural Commission went to Mexico to study the situation and help the authorities there plan a course of action. Following the report of this subcommission, a meeting of the full Commission was held in Washington on March 6, 1947. It was decided that joint action between the two Governments would be necessary if the disease were actually to be controlled or eradicated. In fact, in anticipation of the need for such action, Con-

gress had already passed a law authorizing such joint action. This law was approved by President Truman on February 28.

At the meeting of the Mexican-United States Agricultural Commission on March 6, it was resolved that a joint office for eradication of the disease should be established in Mexico City. It was provided that the office should have a Mexican director and an American co-director. Provision was also made for an administrative board, which is to formulate general policies and procedures. It is to consist of three Mexican members and three members appointed by the United States Secretary of Agriculture. Since the livestock industry both in the United States and in Mexico is deeply interested in the eradication of the disease, the Commission also proposed that there should be advisory committees, consisting of representatives of interested groups in each country.

The problem of finances still remained to be solved. Consequently, at a meeting held in Washington on March 15, it was resolved that the two Governments should make approximately equal contributions for the fight against foot-and-mouth disease until the end of June 1947.

Representatives of the Mexican Government estimated that its contribution during the initial months of the campaign would amount to approximately \$9,350,000. This sum includes the expense of maintaining Mexican Army units on quarantine lines, salaries of veterinarians and other Mexican Government officials, labor and clerical work, and materials and supplies, including disinfectants.

The Governments of the two countries approved the contents of these two sets of resolutions by exchanges of notes on March 17 and March 18; these notes became the basis of cooperation from that time on. Meantime, the Congress of the United States, recognizing the gravity of the situation, gave full support to the campaign and in late March appropriated the sum of \$9,000,000 as the United States contribution for the period ending June 30, 1947.

It is not possible to anticipate exactly what expenses will be involved during the 1947-48 fiscal year or in subsequent periods. The two Governments, however, intend to stamp out the disease as quickly as possible. It is believed that the Mexican Government will not be able to increase the rate of its contribution materially over that of the spring months of 1947. The United States Gov-

ernment may, however, increase its portion of the expenditures in order to push the campaign to the earliest possible conclusion.

### **Some Problems of the Campaign**

Eradication of foot-and-mouth disease in Mexico is likely to prove difficult for several reasons. In the first place, the area already covered by the infection is large, as was mentioned above. One large portion of the infected zone consists of the densely inhabited Valley of Mexico. Part of the region consists of jungle along the coast of Veracruz. Other areas are rough or mountainous.

Some of the animals infected or exposed to the disease are owned by large ranchers. Others consist of a few cows, goats, or pigs owned by small farmers. In addition, the deer and wild pigs in the Veracruz region are susceptible to the disease, and are capable of spreading the infection. These will be very difficult to exterminate.

Another difficulty is the fact that oxen constitute the principal source of farm power in the infected zone. It will be necessary to eliminate these as well as the other cattle. This means that farmers must be assisted in obtaining tractors, horses, or mules to do their farm work. Equines are not susceptible to foot-and-mouth disease.

Furthermore, all dairy cattle in the infected zone will have to be destroyed, and new sources of milk must be found for Mexico City, Puebla, and Veracruz, as well as for smaller towns and villages. Such measures as these completely upset a large sector of the agricultural economy of the affected regions. Hence, there are many problems of public relations. It is extremely important both to obtain the willing cooperation of livestock owners and to assist them in reestablishing their farms on a temporary basis until it is safe to reintroduce cattle, sheep, and hogs.

It is expected that the campaign will cost the United States Government much more than the \$9,000,000 which it has already made available. However, the value of the U.S. livestock industry is so great and the danger of infection is so serious that it would be profitable in the long run to spend many times this amount in order to avert a constant danger of infection in this country. Furthermore, prompt and vigorous action will prove economical in the long run, before the disease has an opportunity to spread to the extensive cattle-producing regions of northern Mexico.

# PICAO South Pacific Regional Air Navigation Meeting

ARTICLE BY COL. CARL SWYTER

The fifth in a series of ten regional air navigation meetings being held by the Provisional International Civil Aviation Organization (PICAO)<sup>1</sup> took place in Melbourne, Australia, February 4 to 22, 1947. Represented at this meeting, with voting rights by reason of having territory located in the region, or providing or operating facilities or services within the region, or operating civil air lines in the region, were Australia, Canada, Chile, China, El Salvador, France, the Netherlands, New Zealand, the Philippine Republic, Portugal, the United Kingdom, and the United States. In attendance as observers were Belgium, Czechoslovakia, Greece, and Switzerland. International organizations represented at the meeting were PICAO, International Air Transport Association, and the Fédération Aéronautique Internationale.

The United States Delegation was made up of 14 official members and 25 advisers and observers and included representatives from the Departments of State, Commerce, War, and the Navy, the Coast Guard, the Civil Aeronautics Board, and Pan American Airways. Glen A. Gilbert of the Civil Aeronautics Administration was the Delegation chairman; Capt. A. S. Hayward, United States Navy, was alternate chairman, and Col. Carl Swyter, Army Air Forces, was technical secretary. Principal committee spokesmen for the United States were James Angier, Civil Aeronautics Administration, for airdromes, air routes, and ground aids; Clifford P. Burton, Civil Aeronautics Administration, for air-traffic control; L. Ross Hayes, Civil Aeronautics Administration, for communications; Delbert M. Little, United States Weather Bureau, for meteorology; Lt. Comdr. J. D. McCubbin, Coast Guard, for search and rescue; and Ray F. Nicholson, Civil Aeronautics Administration, for Subcommittee No. 1 dealing with general operational matters.

In accordance with the report of Subcommittee No. 1, the meeting recommended that instrument landing systems be installed at all regular and alternate airdromes as soon as possible, but not later than January 1, 1951, except where favorable

weather conditions make a landing aid unnecessary. It was agreed that VHF (very high frequency) omni-directional ranges should be installed for short-range navigation as soon as practicable, but not later than January 1, 1951, and that distance-measuring equipment should similarly be installed where required for air-traffic control or terrain reasons. Meanwhile, LF/MF radio ranges and non-directional radio beacons should be maintained and extended where necessary. For long-range navigation, the meeting recommended that existing standard Loran chains be maintained and extended where required, until a long-range navigation aid which fully meets the PICAO requirements is available, and that HF/DF networks and LF/MF non-directional beacons also be maintained and extended where required. It was agreed that the necessary extension of existing facilities indicated above be completed for LF/MF radio ranges not later than July 1, 1948, for non-directional radio beacons not later than January 1, 1948, and standard Loran for the China Coast area not later than July 1, 1949. Agreement was reached on standard instrument approach and landing procedures to be adopted as a guide for use with radio ranges, non-directional beacons, and the PICAO standard instrument landing system. It was agreed that altimeter settings for navigation within the South Pacific region should be 29.92 in. hg. or 1013.2 mbs. over water and beyond 100 miles from regular and alternate international airdromes. When over land and 100 miles beyond the above airdromes the altimeter setting shall conform to the national usage of the country whose territory is being flown over, and within 100 miles of the above airdromes the altimeter settings shall be at sea-level pressure.

Agreement was reached on a composite system of units of measurement which employs both the English and metric systems, as well as the nautical mile and knot. It was recommended that the

<sup>1</sup>As of Apr. 4, 1947, the Provisional International Civil Aviation Organization (PICAO) became the International Civil Aviation Organization (ICAO).

South Pacific Regional Manual should consist of a single volume, and that distress and emergency procedures be made a separate part of the manual because it was considered that these procedures comprise the most essential information that the commander of the aircraft should possess for ready reference. For an interim period, the PICAQ Regional Manual should not include a detailed discussion of the radio navigation facilities which are listed in the several national publications now in use but, in lieu, a reference should be made in the manual to these publications and how they may be obtained. The national publications referred to are—

ANFAC: published by the Department of Civil Aviation, Melbourne, Australia.

JACSPAC: published by 71st AACCS Group (APO 953, c/o Postmaster, San Francisco, California), Hickam Field, T.H., U.S.A.

RACONA: published by the Netherlands East Indies Army Air Forces, Batavia.

Regular land airdromes for long-, medium-, and short-range operation were designated by the meeting, as well as alternate airdromes for long- and medium-range operation. These designations were based on existing and proposed land-plane routes of member countries assembled. The standard to which each airdrome designated for international civil aviation should be brought was indicated and it was agreed that each country should immediately start to bring airdromes up to these standards. It was noted, however, that it might be some time before certain airdromes could or should be brought up to the full standard in view of the very light traffic frequency.

For air-traffic control, agreement was reached on boundaries for flight-information regions, and control areas were designated around principal airdromes and along some of the routes where the traffic density is comparatively heavy. It was agreed that these route-control areas should be 50 miles wide except within 100 miles of airdromes, where they should be 10 miles wide. Locations for air-traffic control centers and airdromes requiring approach control were also designated.

In the field of aeronautical communications, the meeting recommended that manual point-to-point radio circuits should be converted wherever practicable to high-speed radio teletypewriter, and that

this equipment should be standardized as soon as possible. Domestic radio circuits should be replaced by line circuits. It was agreed that VHF for aeronautical mobile communications should be established as soon as possible at all regular and alternate international airdromes. For VHF operation, frequencies were recommended for airdrome control, approach control, airport utility, air carriers en route, and emergency. The HF and MF emergency channels agreed on were 8280 k.c. and 500 k.c. The Australia-New Guinea-Halmaheras area was considered by the meeting as the most suitable for the conduct of the tests on low-frequency Loran recommended by PICAQ.

To meet the meteorology requirements of international civil aviation, the meeting considered it essential that existing facilities be expanded by the addition of six main meteorology offices located at Shanghai, China; Nouméa, New Caledonia; Manila, Philippines; Baucau, Portuguese Timor; Guam; and Wake; three dependent meteorology offices at Tontouta (New Caledonia); Espiritu Santo (Condominium of New Hebrides), and Midway (U.S.A.); additional surface observation stations at Jarvis Island (U.S.A.) and Swains Island (U.S.A.); additional upper air observation stations at Canton (China) or Hongkong (U.K.), Tarakan, Koepang, and Merauke (Netherlands), and Tutuila (U.S.A.); radio wind-observation stations at Kemajoran, Soerabaja, Hollandia, Macassar, and Ambon (Netherlands). The installation of automatic weather stations was considered important in view of the sparsity of weather-reporting networks possible in certain areas of the South Pacific region due to the wide expanse of ocean area and to the fact that many of the islands are uninhabited. Because of the high cost involved in periodic visits to such automatic stations for servicing, it was considered necessary to specify the operational requirements for which automatic weather-station equipment should be designed. It was agreed that the equipment should operate a minimum of six months unattended and should observe, as a minimum, the wind direction, wind speed, atmospheric pressure, and amount of rainfall between reports. It was also agreed that two ocean weather stations are required between San Francisco and Honolulu giving weather and other services approximately 700 miles apart, and one station between Guam and Manila. Although agreeing to the need for these stations from a

meteorological point of view, the Delegations from France, the United Kingdom, and the Netherlands indicated that their countries could not share in their cost of operation.

For search and rescue, the meeting agreed on the location of 19 rescue-coordination centers which were considered necessary to evaluate information concerning aircraft in distress and to utilize all available search and rescue facilities to the greatest possible extent. The location for search-and-rescue coordination subcenters and rescue-alerting centers was also agreed on. Other recommendations for search and rescue include locations for very-long-range, long-range, medium-range, and short-range search-and-rescue aircraft, as well as surface-rescue craft. Search-and-rescue procedures, including emergency procedures to be used by aircraft in distress, were also agreed on.

The recommendations of the meeting concerning procedures, facilities, and services have been forwarded to the PICAQ headquarters in Montreal for review and approval by the Interim Council. After approval, each country concerned will be formally requested by PICAQ to implement the recommendations in accordance with the action specified by the Interim Council.

Due to the expanse of the PICAQ South Pacific region, consisting largely of ocean with numerous small islands, air routes in the region will have relatively light traffic density. This situation presented some opposition to the position the United States has maintained at all regional meetings, that recommendations must be based on technical considerations for safe, regular, and efficient operation and not on the financial capabilities of individual countries to provide the services and facilities required. It can be said, however, that the agreements reached at this meeting, when implemented, will fully meet the requirements of international civil aviation.

Preparation for the South Pacific Regional Air Navigation Meeting on behalf of the United States was accomplished within the framework of the Air

Coordinating Committee's Technical Division. The official delegation for the meeting was largely made up from technical division and subcommittee membership. The success of the United States in gaining acceptance of a very high percentage of its proposals can be attributed to the experience and teamwork of the United States representatives on the delegation and the completeness of the preparation in Washington and Honolulu prior to the meeting.

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#### **Armament Regulation**—Continued from page 701

out collective security, we would not only be closing our eyes to a dangerous and troubled world; we would be neglecting our responsibilities as a member of the United Nations, and as a great power, to assist in maintaining international peace and security.

It is fitting to quote in this connection a passage from President Truman's address to Congress on March 12, 1947:

"To insure the peaceful development of nations, free from coercion, the United States has taken a leading part in establishing the United Nations. The United Nations is designed to make possible lasting freedom and independence for all its members. We shall not realize our objectives, however, unless we are willing to help free peoples to maintain their free institutions and their national integrity against aggressive movements that seek to impose upon them totalitarian regimes. This is no more than a frank recognition that totalitarian regimes imposed upon free peoples, by direct or indirect aggression, undermine the foundations of international peace and hence the security of the United States."

The United States wants a lasting peace, a peace with security for all. Its foreign policy is dedicated to achieving this end through the United Nations and, in achieving it, to achieving also, and in the only way possible, effective regulation and reduction of armaments.

### U.S. Urges Reconvening of Joint U.S.-U.S.S.R. Commission

#### NOTE FROM THE SECRETARY OF STATE TO THE SOVIET MINISTER FOR FOREIGN AFFAIRS

*Text of note sent by Secretary Marshall to Soviet Minister Molotov on April 9, 1947, and released to the press in Moscow on April 11*

I wish to call your attention to the situation in Korea. The representatives of the Soviet Union and the United States on the Joint U.S.-U.S.S.R. Commission in Korea have been unable to make progress toward the establishment of a Korean Provisional Government. It has been nineteen months since the Japanese surrender, yet Korea has profited little. The country is divided into two zones. The Soviet Commander in Northern Korea has refused to permit freedom of movement and free economic exchange between these zones. This has precluded freely chosen political amalgamation of the Korean people and has resulted in grave economic distress.

The policy of the United States toward Korea has the following basic objectives:

(1) To assist in the establishment as soon as practicable of a self-governing sovereign Korea, independent of foreign control and eligible for membership in the United Nations.

(2) To insure that the national government so established shall be representative of the freely expressed will of the Korean people.

(3) To aid the Koreans in building a sound economy as an essential basis for their independent and democratic state.

The United States, in the Cairo Declaration of December 1, 1943, declared its determination that in due course Korea should become free and independent. The United Kingdom and the Republic of China were parties to the same declaration. The Cairo Declaration was specifically reaffirmed by the Three Powers in the Potsdam Declaration, which defined terms for the Japanese surrender. The U.S.S.R. in its declaration of war on Japan on August 8, 1945, declared its adherence to these declarations.

Upon the surrender of Japan, United States and

Soviet forces accepted the surrender of Japanese forces in Korea in the areas respectively south and north of a line arbitrarily assigned for this purpose, the thirty-eighth degree parallel. This line of demarcation became in effect a boundary between zones of occupation. At the conference of the Foreign Ministers of the U.S., the U.K. and the U.S.S.R. in Moscow in December, 1945, the serious consequences of the bizonal division of Korea were discussed and an agreement regarding Korea was reached and published in part three of the communiqué of the conference. The Republic of China subsequently subscribed to this agreement.

On March 20, 1946, the Joint U.S.-U.S.S.R. Commission appointed under the terms of the Moscow Agreement met and began its task, as outlined in the agreement, of assisting in the formation of a provisional Korean democratic government as a first step in assuring the establishment of an independent and sovereign Korean nation.

It was the hope of the Government of the United States that speedy action would be taken by the Joint Commission, a provisional Korean government would rapidly be established, the unfortunate results of the line of demarcation between the United States and the Soviet forces would be overcome and Korea could be started on the way to attaining an independent and democratic government.

Unfortunately the work of the Joint Commission became stalemated after a short time through the failure to agree on the definition of the word "democratic" as it pertained to the representatives of the parties and social organizations mentioned in the Moscow Agreement to be consulted by the Joint Commission in its task of assisting in the formation of a provisional government. As it became evident that no agreement could be reached at the time, the Joint Commission adjourned *sine die* on May 8, 1946.

The United States Commander in Korea has



several times suggested to the Soviet Commander that the Commission reconvene and get on with its work.

However, the Soviet Commander has insisted on a formula which would result in eliminating the majority of representative Korean leaders from consultation as representatives of Korean democratic parties and social organizations, and has reiterated this position in a letter to the American Commander as recently as February 28, 1947. It has therefore been impossible to agree upon a basis for reconvening the Commission.

Now in April 1947, almost sixteen months since the agreement pertaining to Korea was reached in Moscow, there has still been no real progress made toward the implementation of that agreement.

In fulfillment of the intent of the Agreement and Declaration made at Moscow in December 1945, the Government of the United States desires to fur-

ther the work of establishing a free and independent Korea without additional delay.

To this end I ask that our Governments agree to instruct our respective Commanders in Korea to reconvene the Joint Commission as soon as possible and charge it with expediting its work under the terms of the Moscow Agreement on a basis of respect for the democratic right of freedom of opinion. I further suggest that a mutually acceptable date during the summer of 1947 be fixed for a review by the two Governments of the progress made to that date by the Joint Commission. In the meantime, the United States, mindful of its obligations under the Moscow Agreement, sees no alternative to taking without further delay such steps in its zone as will advance the purposes of that agreement.

I am furnishing copies of this letter to the British and Chinese Governments.

## **Japanese Vessels Available for Delivery to U.S., U.K., U.S.S.R., and China**

### **STATEMENT BY ACTING SECRETARY ACHESON**

[Released to the press April 11]

The Governments of the United States, United Kingdom, U.S.S.R., and China, in accordance with their declaration at Moscow on October 30, 1943, "That those of them at war with a common enemy will act together in all matters relating to the surrender and disarmament of that enemy", agreed, following the surrender of Japan, that all submarines and large surface vessels, above destroyer size, of the Japanese Navy would be destroyed and that destroyers and surface combatant vessels of lesser tonnage would be divided equally among the four powers.

The Supreme Commander for the Allied Powers was therefore directed by the United States Government to destroy all combatant vessels of the Japanese fleet with the exception of destroyers and surface vessels of lesser tonnage. The scrapping of these vessels is proceeding according to plan.

The Supreme Commander has found it necessary in carrying out his responsibilities as executive authority for the Allied powers in Japan to utilize temporarily for repatriation, mine-sweeping, and other occupation duties certain of the combatant vessels to be divided among the four powers. It

has been understood that these ships would be made available for delivery as soon as they were no longer needed for occupation duties.

Additional Japanese naval vessels falling within the category to be divided among the four powers have been wrecked or cannot be rendered operable within a period of 60 days. These vessels will be scrapped.

SCAP has indicated that certain of these combatant vessels are now available for division, and the United States Government has communicated to the Governments of the United Kingdom, U.S.S.R., and China full details with regard to these ships. As of February 24, 1947, 239 Japanese combatant vessels of destroyer tonnage or less were operable or could be made operable within a period of 60 days. General MacArthur has stated that, of these, 140 are now ready for delivery.

It is intended that an equal division of the ships available for delivery will be accomplished by the drawing of equivalent lots in Tokyo by the designated representatives of the Governments concerned. Inspection of the vessels by the representatives of the claimant nations prior to their delivery will be facilitated by SCAP. All ships have



been demilitarized and all items of military equipment destroyed.

Each claimant nation will designate a port in the Far East to which the vessels will be delivered. Japanese crews will be provided for the vessels.

The United States Government will notify the other Governments concerned as soon as additional vessels become available for delivery.

## **Arrangements Made for Commercial Banking in Japan**

[Released to the press April 9]

The Department of State announced on April 9 that the Supreme Commander for the Allied Powers in Japan will establish commercial accounts with American and foreign banking institutions when and as needed in connection with the administration of the dollar proceeds of Japanese exports to countries other than the United States.

It was explained that heretofore the sole depository of dollar proceeds of Japanese exports consisted of a trust-fund receipt account established within the framework of the Army accounting system. This account was designed primarily to handle financial transactions involving trade between Japan and the United States and is not readily adaptable to financial transactions arising out of trade with other countries. The need for commercial banking facilities of this nature arises out of the expansion of Japanese foreign trade with all areas capable of supplying Japan with food and raw materials and in which profitable markets for Japanese exports may be found.

State Department officials indicated that since the National City Bank of New York is the only American bank operating a branch office in Japan at present, it is likely that the first commercial account of this nature to be opened by SCAP Headquarters will be with that institution. It is expected, however, that, as the volume of Japanese foreign trade grows, commercial accounts will be opened with other American banks and with foreign banks in keeping with this Government's policy of utilizing on a non-discriminatory basis the services of any qualified institution interested in acting as a depository of dollar funds arising out of Japanese foreign trade.

## **Philippine Foreign Affairs Training Program**

A fifth group of Filipinos, participating in the Philippine Foreign Affairs Training Program of the Department of State, began its course of instruction on April 7.

The program was inaugurated in December 1945 to aid the Commonwealth of the Philippines to train its future diplomats. It was continued after Philippine independence at the request of the Government of the Republic of the Philippines. The expense of the program is borne entirely by the Philippine Government, and the program is under the central supervision of the Division of Philippine Affairs of the Department of State.

The new group of trainees numbers fifteen and is composed of men with outstanding educational and professional backgrounds who were selected by the Philippine Government after stiff competitive examinations. The trainees will attend the regular officer-training courses of the Foreign Service Institute and then undergo a period of special training in which the home-office side of foreign relations will be emphasized.

The course extends three and one-half months. At its termination, selected members of the group will be assigned to American Foreign Service establishments abroad for observation and practical training in the field.

Two recent graduates of the course were detailed to the American Embassies in London and Paris on completion of their training, and several others who now hold positions in the Philippine Foreign Service and Department of Foreign Affairs were assigned to the American Embassies in Mexico City, Ottawa, and Habana and to the Consulate General of Sydney.

A majority of the members of the Philippine Foreign Service at the present time have received training under the program. The United States Government hopes to contribute in this manner to the creation of a foreign-affairs establishment for the Philippine Republic which will play a significant role in world affairs and cement further the close ties now existing between the two countries.

## Agriculture Situation in the Philippines

[Released to the press April 9]

C. A. Boonstra, former Agricultural Attaché, American Embassy, Manila, has reported to the Department of State on the current agriculture situation in the Philippines, with particular emphasis on the major agricultural crops of copra, abacá, sugar, and tobacco. His report was based on extensive travel and research in the field. Mr. Boonstra is in Washington pending reassignment as Agricultural Attaché, American Embassy, Santiago, Chile. His report is summarized below:

*Copra.* The outstanding feature with regard to copra is the remarkable recovery of that industry since the end of the war. This recovery is not so amazing if one considers the fact that the supply of coconuts available for copra production was actually greater after the termination of the war than it was before the war. The major problems which confronted the recovery of the copra industry were getting the workers back on the job and overcoming the critical transportation situation. With a production of 650,000 long tons of copra last year and an estimated production of 750,000 long tons this year, the outlook of the copra industry is particularly encouraging. Of the 1947 yield, it is estimated that about 100,000 tons will be crushed in the Philippines. At the present time only one large crusher is in operation. However, the Philippine Refining Company (Lever Brothers), one of the largest crushing companies, expects shortly to open new plants. The following facts could conceivably affect the available quantity of exportable copra for the forthcoming year: (1) the price of hemp might rise sufficiently to divert labor in dual-crop areas into that field; and (2) foodstuffs may again become scarce, requiring a diversion of labor into that field.

*Abacá.* The production of abacá last year was almost 110,000,000 pounds (all grades), which is roughly one third of the 350,000,000 pounds yearly pre-war production rate. There is, however, enough Manila hemp in the Philippines so that if it were fully utilized and efficiently stripped, the productive yield could be raised to approximately 250,000,000 pounds for 1947. One of the reasons for the low output last year was the failure to strip abacá extensively until the price rises in August

and November. The Davao region, the principal abacá-producing section before the war, produced about 60,000,000 pounds last year. This relatively low output is explained by the fact that the former Japanese plantations in the Davao region were abandoned during the war. For the long-range outlook, it might be more economical to plant virgin lands than to attempt to clear and replant the old Japanese plantations.

*Sugar.* Of the 41 pre-war sugar mills, 15 will be in operation this year. The pre-war sugar exports were almost 1,000,000 short tons. The 1947 production will be under 100,000 tons, which is not sufficient for domestic requirements. It is estimated that the production in 1948 may provide 150,000 to 200,000 short tons for export. It is the intention of 32 mills to rebuild and claim full quotas of cane. The general feeling in the sugar industry is that it will be profitable to rebuild under the terms of the Bell act, because the Philippines is the only sugar-producing country having a guaranteed market. The question as to whether the quotas belong in the mills or to the planters has not been resolved and has precipitated a division of crops on a 65 to 35 ratio for the planters, in lieu of the former 50-50 division.

*Tobacco.* The tobacco industry is probably in the most critical condition of any in the Philippines. It is believed, however, that tobacco production may be back to the pre-war level within the next year. The big problem confronting this industry is the lack of a tobacco market. The formerly profitable cigar industry is handicapped by a high cost of hand production and is unable to compete for the United States market. The lack of factories, which were destroyed by the war, has contributed to the chaotic condition of the industry. The National Tobacco Corporation has maintained a policy of subsidizing tobacco prices at a high level in order to protect the destitute Cagayan Valley farmers, with the resulting danger of losing the entire foreign tobacco market and even the local Philippine market.

## Letters of Credence

### *Iraq*

The newly appointed first Ambassador of Iraq, Ali Jawdat, presented his credentials to the President on April 11, 1947. For the text of the Ambassador's remarks and the President's reply, see Department of State press release 311 of April 11.

## S.S. "Martin Behrman" Incident

[Released to the press March 21]

The Department of State, recognizing the amount of public interest aroused by the case of the American vessel, S.S. *Martin Behrman*, which is under detention by Netherlands Indies authorities at Batavia, makes the following announcement with respect thereto.

The Department considers, on the basis of present evidence, that the Netherlands Indies Government has acted within its legal rights with respect to the action taken towards the *Martin Behrman* and its cargo.

Nevertheless, following conversations between the two Governments in the spirit of the traditionally cordial relations between our two peoples, the Netherlands Government has agreed to a settlement of the issue which will permit the *Martin Behrman* to sail for the United States with a cargo of the commodities which she originally intended to pick up, with fair compensation to the Isbrandtsen Company as carrier, and with reimbursement to that company for extra charges resulting from the delay. The settlement does not compromise Netherlands Indies law, but minimizes any losses to the Isbrandtsen Company arising from the fact that new trade regulations were promulgated while the vessel was en route to Cheribon.

NOTE. On February 5, 1947, the S.S. *Martin Behrman*, a Liberty ship owned by the Maritime Commission and under charter to the Isbrandtsen Company of New York, arrived off the Indonesian-held port of Cheribon, Java, to pick up a cargo of rubber, sugar, and other commodities under an agreement with the Perseroan Bank, an Indonesian organization. The vessel's arrival marked the first attempt to establish direct trade between Indonesian-held territories and the United States. Since the war a large trade had developed between these territories and Malaya. Much of this trade was regarded by the Dutch as smuggling on the grounds that cargoes consisted of "estate produce" (products of plantations owned by absent Netherlands or other Europeans).

Before the *Martin Behrman* had left Manila for Cheribon, the Isbrandtsen Company had asked the advice of the Department of State concerning the proposed transaction. The Department advised the company that, because of the uncertainty of the ownership of cargoes available at Indonesian-held ports, the Netherlands Government was opposed to direct trade between these ports and the outside world, except with the approval of the Netherlands East Indies Government. The Department also emphasized its recognition of Netherlands sovereignty over the entire archipelago. Later, however, the company obtained the approval of the Netherlands Indies Trade Commissioner and of the Netherlands Embassy to the transaction on the condition that export duties would be paid and reasonable

## Conversations With Iranian Purchasing Mission

[Released to the press April 10]

An Iranian purchasing mission, consisting of Major General A. Hedayat, Brigadier General M. Mazhari, and Captain Saleh, has just arrived to resume conversations begun in Washington last October concerning the possibility of the purchase by Iran of surplus United States military equipment. Colonel A. Moarefi, who has remained in Washington since assisting Brigadier General Mazhari here last fall, will also be a member of the mission.

It was agreed in principle last December that this Government would sell to the Iranian Army and gendarmerie, through routine arrangements with the Office of the Foreign Liquidation Commissioner, reasonable quantities of military supplies for the purpose of maintaining internal security within Iran. On the basis of that agreement, the Iranian Government has reviewed carefully the essential needs of its security forces and is now expected to present to the Foreign Liquidation Commissioner a list of minimum requirements for its military establishment.

evidence of title should be obtained. On this basis the Department interposed no further objection, advising the company that the transaction was undertaken at the company's own risk and responsibility.

On January 28, however, one week before the *Martin Behrman* reached Cheribon, new trade regulations were published by the Netherlands Indies Government, making illegal the export from Indonesian-held ports of rubber, sugar, and other commodities which on *prima facie* evidence could be considered estate produce, except on permits of the Netherlands Indies Government. The Department was informed of the issuance of these regulations on February 4 and immediately advised the Isbrandtsen Company to adhere to all Netherlands East Indies regulations. The Netherlands Embassy in Washington similarly advised the company, and the United States Consul General in Batavia telegraphed the ship's master. The company gave assurance that it would abide by the regulations.

Nevertheless, upon instructions from the Isbrandtsen Company, the master of the ship proceeded to load his cargo of rubber and sugar. After completing the loading on March 1, the *Martin Behrman* was ordered by the Dutch authorities to sail to Batavia. On March 7 a Dutch party came aboard with an order to seize the cargo and asked the master's cooperation in discharging it. He demurred, whereupon Dutch soldiers and marines were placed aboard the vessel and the unloading was begun, under court order. The Isbrandtsen Company threatened to file a claim for \$10,000,000 against the Netherlands Indies Government.

# American Interest in Proposed International Trade Organization

## STATEMENT BY ACTING SECRETARY ACHESON<sup>1</sup>

[Released to the press April 8]

On the occasion of Mr. Clayton's departure for Geneva, I would like to point out once more why the Department of State has gone "all out" in support of the International Trade Organization.

As you gentlemen know, the Department about a year ago put forward a proposal for world trade and prosperity, as a post-war amplification of Mr. Hull's highly successful reciprocal-trade program which began back in 1933. Following up its trade proposals the Department, in cooperation with other interested agencies of the Government, drafted a proposed charter for freer world trade.

Mr. Clayton is chairman of the American Delegation to the Geneva conference of 18 nations

which will seek to complete a draft of a charter for the proposed ITO. His mission is significant, for the ITO, if successful, will be one of the firmest stones in the foundation of the U.N.

It has been often said that one of the main causes of the failure of the League of Nations was lack of any provision for international economic cooperation.

That mistake must not be repeated in the U.N.

In the light of past history and future need, the task of Mr. Clayton and his colleagues from 18 representative trading nations is a challenging one. I am confident that the Geneva conference will mark a turning point in world trade and economic prosperity and will bring us closer to the enduring peace we all want so much.

## Summary of Informal Hearings on Proposed Charter for ITO

### MEMORANDUM TO ACTING SECRETARY ACHESON FROM ASSISTANT SECRETARY THORP<sup>2</sup>

Enclosed is the final report on the hearings held under the auspices of the Executive Committee on Economic Foreign Policy during the period February 24-March 14 on the proposed Charter for an International Trade Organization. In transmitting the report, I should like to invite your attention particularly to the following considerations:

The hearings marked the first time that the proposed Charter had been taken to the country in an effort to obtain a cross section of national opinion with respect to the objectives and principles of an International Trade Organization, and to receive suggestions for its improvement.

Two hundred and forty-five persons presented their viewpoints at the Charter hearings which were held in seven strategically located cities. Only twenty-one of those appearing were non-committal: that is, expressed neither approval nor disapproval of the Charter. Two hundred and eight endorsed its principles and objectives. Sixteen expressed general opposition. Thus the ratio of those expressing an opinion stood at thirteen to

one in approval of the objectives set forth in the proposed Charter.

A number of constructive suggestions were offered to the Interdepartmental Committee, which conducted the hearings. These suggestions reflect careful consideration by many individuals and organizations representing a broad area of American social life and economic activity.

The Executive Committee on Economic Foreign Policy is now completing a series of meetings in which the Charter is being analyzed, provision by provision, in the light of the suggestions received. The results of these deliberations will be transmitted to the United States Delegation for its guidance at the Second Meeting of the Preparatory Committee for an International Conference on Trade and Employment to be held in Geneva, Switzerland, beginning April 10, 1947.

<sup>1</sup> Made to press and radio correspondents at his press conference on Apr. 8, 1947.

<sup>2</sup> Released to the press Apr. 13, 1947. Willard L. Thorp is Assistant Secretary of State for economic affairs.

# REPORT ON INFORMAL HEARINGS ON PROPOSED CHARTER FOR AN INTERNATIONAL TRADE ORGANIZATION, FEBRUARY 25-MARCH 12, 1947<sup>1</sup>

## Background of Hearings

In order to afford all interested persons and groups an opportunity to present their views and to make suggestions for improvement, the Executive Committee on Economic Foreign Policy decided on December 27, 1946, to sponsor a series of informal hearings throughout the nation on the Preliminary Draft Charter for an International Trade Organization. The hearings were scheduled for two-day sessions in each of seven cities: Boston, Chicago, Denver, New Orleans, New York, San Francisco and Washington.

United States Department of Commerce field officers were given general responsibility for making arrangements for the hearings in each city. In addition to physical facility arrangements, they gave full local publicity to the hearings through the press, radio and contacts with business, farm, labor, civic and other organizations. Early in February, a Department of State representative visited each of the cities for two or three days to assist in assuring that all interested persons were afforded an opportunity to present their views.

Members of the Panels who were sent out to conduct the hearings in each city were drawn from all Government agencies represented on the Executive Committee on Economic Foreign Policy.

Interested persons and organizations were invited to present their views orally or in writing. Each person wishing to appear at the hearings was requested to notify the Executive Committee on Economic Foreign Policy sufficiently in advance of the hearings to enable the Executive Secretary of the Committee to schedule appearances. Persons who failed to notify the Executive Secretary in time to be scheduled were asked to arrange for their appearance with the Secre-

tary of the Hearings Panel at the time of the hearings. In most cases it was possible to work these persons into the prearranged two-day schedule. In San Francisco, however, it was necessary to schedule an additional half-day session.

## Hearings Procedure

The time allotted each person for presentation of views varied from city to city, being determined by the Panel Secretary after the total number of persons to be heard was known. Moreover, there was considerable variation in the length of time required by witnesses; some required no more than five or ten minutes; most needed between fifteen and twenty minutes; a few required the greater part of an hour for presentation of their views. In all cases, the Panel sought to hear everything any person had to say.

Presentation of oral views varied in character also. Some persons read from prepared statements; other spoke from notes. Many used a part of their scheduled time to raise questions relating to the Charter with Panel members. Informality and freedom of expression were encouraged. In only one respect was testimony limited. Because of their limited jurisdiction, the Panels did not entertain discussion relating to specific tariffs on specific commodities.

At the end of each person's statement, Panel members frequently asked questions to clarify issues raised or made statements to correct misunderstanding.

## Summary of Appearances

Two hundred and twenty-three persons, representing almost every type of economic, civic, labor and religious organization, orally presented their views on the proposed Charter during the course of the hearings. San Francisco led the list with forty-nine personal appearances. New York was next with forty-five; Boston with thirty-five; Washington, twenty-eight; New Orleans, twenty-four; Chicago, twenty-two; and Denver, twenty.

Business and professional associations (including cooperative and farm organizations) were most numerous represented at the hearings, with 109 persons appearing in their behalf. Civic organizations were represented by 41 persons. Individ-

<sup>1</sup> See Department of State press release 314 of Apr. 14 for the following attachments to the report: Panel members assigned to each of the hearings cities; Distribution of organizations and persons presenting oral views at ITO hearings; Attitudes expressed toward proposed ITO charter at hearings (by organization); Organizations which presented their views on the proposed ITO charter; Organizations saying little or nothing about proposed charter, but expressing concern with respect to their own interests; and Organizations generally opposing the ITO.

ual business establishments were next with 24 representations. Representatives of labor, consumer, religious and veterans' organizations were represented by seventeen, six, eleven, and two persons respectively. Other presentations were made by a mayor, educators, students, and Port Authority representatives.

Witnesses appeared on behalf of fifty national organizations. Of these, twenty-seven were business and farm organizations; twenty-three were civic, labor, consumer, religious and veterans' organizations.

Geographically, witnesses were drawn from twenty States<sup>2</sup> and the District of Columbia.

#### Attitudes Expressed Toward Proposed Charter

Aside from the indication of widespread support from every type of organization for the proposed Charter for an International Trade Organization, the most impressive revelation at the hearings was the amount of careful study that witnesses had given to the proposed Charter. Critical evaluation was evident and thoughtful suggestions were contained in the testimony of the vast majority of persons and organizations who presented their views. There were, to be sure, many suggestions and criticisms but for the most part these were made in the spirit of improving the proposed Charter.

Two hundred and forty-five organizations and persons expressed their views on the proposed Charter orally or in writing. Of these two hundred and eight endorsed the principles and objectives of the proposed Charter. Over one hundred and fifty endorsed the Charter almost without qualification. Only sixteen witnesses took a position in general opposition to the Charter.

General approval of the proposed Charter, with little or no qualification, came from representatives of almost every type of economic and civic organization. In this group, individual business establishments and business and farm organizations were most numerous—74 of 165—but equally strong support was given by civic, religious, labor, consumer and veterans' organizations. The testimony of most of this group indicated that their statements were prepared only after careful study of the document under consideration.

Typical of many organizations of its kind, the San Francisco Chamber of Commerce expressed "its keen desire for the success of the negotiations

which will shortly be undertaken to complete the drafting of the Charter and to establish the International Trade Organization as an organ of the United Nations."

Anna Lord Strauss, President of the League of Women Voters of the United States, indicated her organization's "wholehearted support for United States leadership in a broad program of expanding world trade and employment". After referring to their previous support of the International Bank and Monetary Fund, and the Food and Agriculture Organization, she said "By Convention action, the League is supporting an International Trade Organization as a necessary part of this total economic program."

Speaking in behalf of the Congress of Industrial Organizations, Michael Ross said his organization "supports without reservation the effort to set up an International Trade Organization . . . as an essential part of the machinery required to accomplish the purposes of the United Nations Charter".

Mr. Charles P. Taft, President and speaking in behalf of the Federal Council of Churches of Christ in America, observed that opponents of the Program offer no alternative—

" . . . except the adoption of the methods of State Foreign Trading and bilateral 'Yankee' deals which were developed if not invented by the Nazis, for the purpose of waging economic warfare during the period between the Great Wars.

"That alternative is in effect the adoption of state socialism in foreign trade, and will drive us to a considerable measure of state socialism at home.

"The middle ground is the only real possibility, a goal of many-directional commerce around the world as free as practicable, of private and governmental restrictions, but conceding whatever is shown to be absolutely necessary to meet the actual situation of these war devastated economies of our allies and our friends.

"The proposed International Trade Organization is just that, and is therefore in effect, the only possible way in which we can go."

Forty-three persons expressed general approval

<sup>2</sup> Alabama, California, Colorado, Connecticut, Illinois, Indiana, Kentucky, Louisiana, Massachusetts, New Jersey, New York, Ohio, Oregon, Pennsylvania, Rhode Island, Tennessee, Texas, Utah, Washington and Wisconsin.

of the proposed Charter on behalf of their organizations, but made several specific suggestions or expressed reservations with respect to certain aspects of the Charter. Twenty-nine of these represented business and farm associations. In almost all of these cases, the suggestions were designed to implement the principles and objectives of the Charter; not to weaken them.

The American Farm Bureau Federation, for example, pointed to its long record in favor of international economic cooperation and cited in support a resolution passed by their annual meeting held in San Francisco in December 1946. "I am convinced", President O'Neal said, "that the establishment of this proposed International Trade Organization offers an opportunity to conduct international trade more nearly on a basis in line with our ideals of free enterprise than could be possible otherwise".

President O'Neal went on, however, to make a number of thoughtful suggestions with respect to the Charter. He indicated, for example, his organization's belief that "the Charter should be drawn in such a manner that export subsidies on certain basic agricultural products could be used in the event that it is necessary to prevent widespread chaos in some of our basic agricultural industries." He expressed pleasure at the inclusion of Chapter VII which deals with inter-governmental commodity arrangements, but raised a question about the desirability, in Article 51, of giving importing countries an equal voice with exporting countries. Mr. O'Neal expressed concern about the little emphasis in the proposed Charter upon using non-governmental groups in an advisory capacity. On the whole, the American Farm Bureau Federation, like others in this group, supported the program, while at the same time making suggestions for its improvement.

A third group of persons, twenty-one in all, had little or nothing to say by way of approval or disapproval of the proposed Charter, but most of them expressed some concern about the possible impact of the proposed International Trade Organization on their own industries. A few of this group suggested the inclusion or more explicit coverage of their own interests.

The California Walnut Growers Association, for example, in its testimony said: "The basic assumption [of the ITO] is that protective tariffs are evils. This has serious implications for the Amer-

ican nut industries, and many others. Like the reciprocal trade treaties, which always contemplate tariff cuts and never any increases, ITO is to be a tariff reducing agency . . . . The American walnut industry fears ITO because of the very obvious threat to its tariff protection."

The National Bankruptcy Conference suggested "that the International Trade Organization has a unique opportunity at this time to write into its charter a provision at one stroke . . . establishing equal treatment for all creditors in the courts of nations participating in the organization or subscribing to its principles".

Sixteen persons expressed general opposition to the proposed Charter. Thirteen of these were business associations; three were representatives of individual establishments. Eight of the sixteen represented textile interests; three, food products; one, shoe and leather; one, petroleum; one, exporter and importer; one, shipping; and one, a more general organization: the American Tariff League.

Mr. Henry D. Molnar, representing Trans-Atlas et Cie, Ltd., criticized the Charter as impractical in all aspects and suggested that a new Charter be formulated by representatives of Business and Banking. The American Lace Manufacturers Association referred to Chapter VII on inter-governmental commodity agreements as a plan for world collectivism.

The American Tariff League described the Charter as "voluminous, wordy, difficult to study and comprehend, and frequently ambiguous and lacking in clarity." Further, the League observed, "the Charter is confusing. It sets forth many basic principles, and then proceeds to riddle them with exceptions, so that it ends by blessing not only the desirable world trade practices, but virtually all the undesirable ones as well."

#### Written Views

Only five detailed written briefs relating to the proposed Charter were submitted to the Executive Committee on Foreign Economic Policy on behalf of organizations which did not appear at the hearings to present their views orally. There were, in addition, however, seventeen letters, resolutions and telegrams in response to the invitation in the original press release announcing the hearings. In sum, there were only twenty-two persons and



organizations who chose to present their views in writing rather than in person.

All of the written communications endorsed the objectives and general structure of the proposed International Trade Organization. Four of the five written briefs, however, made specific suggestions for modification of the proposed Charter. The remaining brief and the other written communications endorsed the proposed ITO without qualification. Most of the letters from individuals did not indicate the degree to which the endorsement resulted from careful study of the proposed Charter.

### **Evaluation of the Hearings**

The Executive Committee on Economic Foreign Policy has been gratified by the results of the hearings. Two or three things stand out. In the first place, interest in constructive measures to assure international economic cooperation was revealed as considerably greater than had been supposed. From this flowed the second revelation of importance: most of the persons who appeared at the hearings had studied the proposed Charter with care. Third, in every city visited by the hearings Panels, deep satisfaction was expressed that the Charter was taken to the public for examination and criticism at this relatively early stage of its development. Finally, and most important, many thoughtful criticisms and suggestions for improvement of the Charter were received. It was, of course, exactly this that inspired the hearings in the first place.

The Executive Committee on Economic Foreign Policy is now completing a series of meetings in which the many suggestions received at the hearings have been carefully studied and evaluated. The results of these deliberations will be transmitted to the United States Delegation for its guidance in the Second Meeting of the Preparatory Committee for an International Conference on Trade and Employment to be held in Geneva, Switzerland, beginning April 10, 1947.

### **Industrial Property Agreement With France Signed**

[Released to the press April 8]

An agreement between the United States and France concerning the restoration of certain industrial-property rights affected by World War II was signed on April 4, 1947, by Acting Secre-

tary of State Dean Acheson and Henri Bonnet, Ambassador of the French Republic.

The agreement is designed to permit delayed filing of patent applications, accomplishment of formalities, payment of fees, and delayed renewal of trade-mark registrations, which actions were not possible during the war. Existing United States statutes grant these extensions, based on reciprocity. The agreement enables France to grant such extensions reciprocally to citizens of the United States.

It is provided in the agreement that a notice of acceptance of the agreement shall be delivered by each government to the other. The agreement, in accordance with its provisions, will enter into force on the date of the delivery of whichever notice is the later in arriving.

The agreement was negotiated for the United States by Acting Commissioner of Patents Leslie Frazer and other officials of the Patent Office, in collaboration with officers of the Department of State. For France, the negotiation was carried on by M. E. Mathon, Director of the French Industrial Property Service, Ministry of Industrial Production, and by officials of the French Embassy.

### **Maine Ratifies Constitutional Amendment**

[Released to the press April 9]

The Department of State received on April 9 an authenticated copy of the ratification by the Legislature of the State of Maine of the recently proposed constitutional amendment relating to the terms of office of the President.

The action of the Legislature of Maine was under date of March 31, 1947.

This is the first formal notification received by the Department, as required by law.

### **Finland Grants Commercial Air Rights**

[Released to the press April 8]

The Government of Finland has authorized the United States certificated air carrier, American Overseas Airlines, Inc., to operate a commercial air service between Finland and the United States on a temporary basis pending conclusion of a bilateral agreement between the two countries, the Department of State announced on April 8.

It is expected that service will be inaugurated by the American company in the early part of May 1947.



# Withdrawal of Obsolete Treaties From the Senate

## MESSAGE OF THE PRESIDENT TO THE SENATE

[Released to the press by the White House April 8]

*To the Senate of the United States:*

Because of changed conditions affecting their provisions since they were submitted to the Senate, a number of the treaties now pending in the Senate have become obsolete. The situation with respect to several other pending treaties would be clarified if they were withdrawn for further study and consideration in the light of developments since they were formulated and, if found advisable, resubmitted with a fresh appraisal of their provisions.

I therefore desire to withdraw from the Senate the following treaties with a view to placing the treaty calendar on a current basis:

Agreement between the United States of America and Costa Rica regarding an interoceanic canal across Costa Rican territory, signed at Washington February 1, 1923 (Executive B, 67th Congress, 4th session).

International convention for the suppression of the circulation of and the traffic in obscene publications, signed at Geneva September 12, 1923 (Executive M, 68th Congress, 2d session).

Protocol for the prohibition of the use in war of asphyxiating, poisonous, or other gases, and of bacteriological methods of warfare, signed at Geneva June 17, 1925 (Executive G, 69th Congress, 1st session).

Convention and protocol between the United States of America and Canada for the preservation and improvement of the Niagara Falls, signed at Ottawa January 2, 1929 (Executive U, 70th Congress, 2d session).

Protocol of revision of the Statute of the Permanent Court of International Justice (World Court), signed at Geneva September 14, 1929; protocol of signature of the Statute of the Permanent Court of International Justice, signed at Geneva December 16, 1920; and protocol of accession of the United States of America to the Statute of the Permanent Court of International Justice, signed at Geneva September 14, 1929 (Executive A, 71st Congress, 3d session).

Treaty between the United States of America and Canada for the completion of the Great Lakes-St. Lawrence Deep Waterway, signed at Washington July 18, 1932 (Executive C, 72d Congress, 2d session).

Berne Convention of September 9, 1886 for the protection of literary and artistic works, revised at Berlin, November 13, 1908, and at Rome, June 2, 1928 (Executive E, 73d Congress, 2d session).

International Convention for the suppression of the traffic in women of full age, opened for signature at Geneva October 11, 1933 (Executive H, 74th Congress, 1st session).

Convention between the United States of America and the Republic of Argentina with reference to sanitary regulations concerning plant and animal products, signed at Washington May 24, 1935 (Executive O, 74th Congress, 1st session).

International convention relating to economic statistics and a protocol thereto, signed at Geneva December 14, 1928 (Executive S, 74th Congress, 1st session).

Convention between the United States of America and the Republic of Panama for the regulation of radio communications in the Republic of Panama and the Canal Zone, signed at Washington March 2, 1936 (Executive C, 74th Congress, 2d session).

International convention for the unification of certain rules to govern the liability of vessels when collisions occur between them, and a protocol thereto, signed at Brussels September 23, 1910 (Executive K, 75th Congress, 1st session).

Draft convention (no. 56) concerning sickness insurance for seamen, adopted by the International Labor Conference at its twenty-first session, held at Geneva October 6-24, 1936 (Executive Y, 75th Congress, 1st session).

Draft convention (no. 61) concerning the reduction of hours of work in the textile industry, adopted by the International Labor Conference at its twenty-third session, held at Geneva June 3-23, 1937 (Executive J, 75th Congress, 3d session).

Draft convention (no. 63) concerning statistics of wages and hours of work in the principal mining and manufacturing industries, including building and construction, and in agriculture, adopted by the International Labor Conference at its twenty-fourth session, held at Geneva June 2-22, 1938 (Executive L, 76th Congress, 1st session).

International sanitary convention, signed at Paris October 31, 1938 (Executive J, 76th Congress, 3d session).

Convention for the establishment of an inter-American bank, signed on behalf of the United States of America May 10, 1940 (Executive K, 76th Congress, 3d session).

Convention between the United States of America and the United Kingdom of Great Britain and Northern Ireland providing for the exemption of taxation on property or transactions connected with defense, signed at Washington October 17, 1941 (Executive H, 77th Congress, 1st session).

Supplementary protocol concerning whaling signed at London October 5, 1945 (Executive J, 79th Congress, 1st session).

HARRY S. TRUMAN

THE WHITE HOUSE  
April 8, 1947

## Estate Tax Convention With South Africa Signed

[Released to the press April 10]

A convention between the United States and the Union of South Africa for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on the estates of deceased persons was signed at Capetown on April 10, 1947, by General Thomas Holcomb, American Minister to the Union of South Africa, and Field Marshal Jan Christiaan Smuts, Prime Minister of South Africa.

The convention provides that it shall come into force on the date of exchange of instruments of ratification and shall be effective only as to

(a) the estates of persons dying on or after such date and

(b) the estate of any person dying before such date and after the thirtieth day of June 1944, whose personal representative elects, in such manner as may be prescribed, that the provisions of the convention shall be applied to such estate.

April 20, 1947

The convention is similar in general to estate-tax conventions of the United States with Canada and the United Kingdom.

## Protocol for Extension of Coffee Agreement

[Released to the press April 4]

The President on April 1, 1947, proclaimed the protocol for the extension of the Inter-American Coffee Agreement for one year from October 1, 1946.<sup>1</sup> The protocol was opened for signature at the Pan American Union from September 3, 1946, until November 1, 1946, and during that period was signed for the Government of the United States of America (subject to ratification) and for the Governments of 14 other American republics. The protocol was approved by the Senate on February 21, 1947, and was ratified by the President on March 7, 1947. The United States instrument of ratification was deposited with the Pan American Union on March 19, 1947.

## Bolivian Lawyer Visits U.S.

Miss Josefa Saavedra, a prominent lawyer of Bolivia, is visiting the United States at the invitation of the Department of State. She has been awarded a travel grant under a program administered by the Division of International Exchange of Persons of the Department, to enable her to visit juvenile courts, women's prisons, and homes for delinquent children, and to confer with officials of Government, public and private agencies, and institutions in her field of interest. While in the United States Miss Saavedra also plans to visit universities and educational centers.

## Documents Salesroom

The Superintendent of Documents will open a salesroom in Room 120, 1778 Pennsylvania Avenue, NW., where Department of State publications may be purchased and where a few publications of other agencies of the Government will also be sold. Persons outside of Washington desiring to purchase Department of State publications should continue to order direct from the Superintendent of Documents, Government Printing Office, Washington 25, D.C.

<sup>1</sup>For an article on the subject by John K. Havemeyer, see BULLETIN of Mar. 2, 1947, p. 378.

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## THE ESTABLISHMENT OF THE COMMISSION FOR CONVENTIONAL ARMAMENTS

by James M. Ludlow

*In order to promote the establishment and maintenance of international peace and security with the least diversion for armaments of the world's human and economic resources, the Security Council shall be responsible for formulating . . . plans to be submitted to the Members of the United Nations for the establishment of a system for the regulation of armaments.*

—CHARTER OF THE UNITED NATIONS  
Article 26

On January 9, 1947, the United Nations Security Council had on its agenda five items concerned with the regulation and reduction of armaments and armed forces and the priority with which the proposed regulation and reduction should be effected. Separately the items dealt with particular aspects of the over-all problem. But as the items were discussed disagreements developed over the necessary conditions and methods of achieving the solution of the problem. The critical issue was whether the regulation and reduction of armaments rests on conditions of international security or whether disarmament in itself establishes and contributes to international security.

The first item was a resolution unanimously passed by the General Assembly December 14, 1946, entitled "Principles Governing the General Regulation and Reduction of Armaments".<sup>1</sup> The second was a General Assembly resolution,<sup>2</sup> also passed on December 14, 1946, calling upon the Council to determine, as soon as possible, the information on armed forces which the member states should be required to furnish to implement the first-mentioned resolution. The third, a proposed resolution<sup>3</sup> introduced by the Soviet Representative, Andrei Gromyko, urged the establishment of a special commission which would be given

three months to make recommendations on the implementation of the General Assembly's resolution. The fourth was a draft resolution<sup>4</sup> presented by the United States Representative, Herschel V. Johnson, urging, pursuant to the General Assembly's resolution, that the Security Council consider and act upon the atomic-energy report as soon as received, and recommending that only thereafter should the Council discuss what further practical measures it should take and in what priority the implementation of the General Assembly's resolution should be carried out. The fifth was the first report of the Atomic Energy Commission to the Security Council.<sup>5</sup>

### The Opposing Views of the U.S. and U.S.S.R.

These five documents provided the basis for the discussions which led to the establishment of the Commission for Conventional Armaments. Al-

<sup>1</sup> See article on "Regulation and Reduction of Armaments: Action of the General Assembly", *BULLETIN* of Feb. 23, 1947, p. 311. The resolution was transmitted to the Security Council as S/231.

<sup>2</sup> S/230.

<sup>3</sup> S/229.

<sup>4</sup> S/233.

<sup>5</sup> AEC/18/Rev. 1. This was transmitted to the Security Council by S/239.

though the debates on these resolutions resulted in eventual agreement on establishing a commission with specific terms of reference, the deliberations disclosed that the United States and the Soviet Union held opposing views on how the regulation and reduction of armaments should be achieved.

In these discussions the consistent position of the United States was that conditions of international security must be established before the regulation and reduction of armaments and armed forces can be effected. The position of the Soviet Union was that the reduction and regulation of armaments and armed forces are fundamental in achieving international security and therefore should come first.

The United States vigorously advocated that the international control of atomic energy should be considered as an essential first step in achieving international security and repeated what Secretary Byrnes had so clearly stated before the General Assembly on December 13, 1946:

"In meeting the problems of disarmament first things should come first. The first task which must be undertaken is the control of atomic energy to insure that it will be used only for human welfare and not for deadly warfare.

"Let us concentrate upon these major weapons and not dissipate our energies on the less important problems of controlling pistols and hand grenades.

"If we are really interested in effective disarmament, and not merely in talking about it, we should instruct our representatives on the Atomic Energy Commission to press forward now with its constructive proposals."<sup>6</sup>

In conjunction with this view the United States also held that the conclusion of the agreements establishing the United Nations armed forces as projected by article 43 of the Charter was another important element in international security. Such steps, it was stated, precondition the eventual success of general regulation and reduction of armaments and armed forces.

The position of the Soviet Union was in sharp contrast with that of the United States. The urgency of the problem was stressed but with no

reference to the necessity of achieving international security first. On the contrary, the Soviet Union emphasized the importance of establishing a commission to make findings and recommendations on the immediate regulation and reduction of armaments and armed forces. It advocated simultaneous discussions on atomic and conventional weapons and sought to lessen the emphasis on the urgency of establishing the United Nations armed forces. An analysis of the position of the Soviet Union suggests that one purpose may have been to allow a new commission to invade the jurisdiction of the Atomic Energy Commission, thereby possibly confusing the activities of both commissions.

Neither position completely prevailed. The United States was unable to convince the Council of the desirability of granting priority in the Security Council to the first report of the Atomic Energy Commission before the consideration of the further implementation of the General Assembly resolution on the general regulation and reduction of armaments, but it did prevail in its position that the terms of reference of the new commission must clearly proscribe interference with any aspects of the work of the Atomic Energy Commission.

The deliberations of the Security Council, which extended over a period of six weeks, were marked by three distinct phases. The first phase of the discussions extended from January 9 to January 20, when further considerations were postponed for two weeks. These discussions were concerned mainly with whether or not the first report of the Atomic Energy Commission would be given priority over the implementation of the General Assembly resolution of December 14, 1946. The debates in the second phase, lasting from February 4 to February 11, centered on the jurisdiction and terms of reference of the proposed new commission, especially in relation to the Atomic Energy Commission. The final phase of the considerations, from February 11 to February 13, led to compromise and eventual agreement and the adoption of the resolution establishing the Commission for Conventional Armaments.

#### **The First Phase: Priority in the Regulation and Reduction of Armaments**

Discussion of the American and Soviet proposals started on January 9, 1947. Contending that the General Assembly's resolution did not

<sup>6</sup> BULLETIN of Dec. 22, 1946, p. 1138.



give priority either to atomic-energy control or to the regulation and reduction of conventional armaments, the Soviet Union started the debate by asserting that the proposals presented by the United States would merely delay the Security Council's implementation of the General Assembly's resolution. Attacking the United States as obstructing considerations of the problem by an "either—or" position, Mr. Gromyko observed:

"The attempt to make the working out of the concrete measures on the realization of the General Assembly decision on one question, dependent on the progress and results of the consideration of another one, to the detriment of the realization in general of the General Assembly decision on 'Principles Governing the General Regulation and Reduction of Armaments' cannot be justified by any reference to the necessity of giving priority to any one distinct question. Actually, the task of the Security Council is to proceed without delay with working out the practical measures on all the questions on which the General Assembly has taken the decision."<sup>7</sup>

In reply Mr. Johnson took issue with Mr. Gromyko and stressed that the General Assembly resolution of December 14, 1946, clearly and repeatedly emphasized the importance of expediting the work of the Atomic Energy Commission in the Security Council as well as in the Commission itself. Reiterating the position already stated by Mr. Byrnes on the importance of safeguards to any system of regulation, Mr. Johnson said:

"The creation of a system of effective regulation is fundamentally a problem of devising effective international controls and safeguards which will protect complying States against the hazards of violations and evasions. We cannot expect any nation to accept any system for the regulation of armaments and armed forces unless it is satisfied that the international controls and safeguards provided will be truly effective. No system of this nature, which leaves law-abiding States weak and helpless in the face of aggression, can ever contribute to world peace and security."<sup>8</sup>

Neither the views of the United States nor those of the Soviet Union were completely acceptable to the other members of the Council. Resolutions seeking to compose the differences were intro-

duced on January 9 by France and on January 15 by Australia and Colombia.<sup>9</sup> The aims of the three proposals were in general similar:

(1) All required immediate action in setting up a commission to consider the regulation and reduction of armaments and armed forces and in considering the Atomic Energy Commission's report.

(2) When established, it was proposed that the new commission should make a report on its work to the Council within three months. (The Australian resolution stipulated April 30.) The French resolution required the new commission to make such recommendations on the problem of regulation and reduction of armaments as it could within the time limits and suggested that studies be made on the problem by the Military Staff Committee or by other organs of the United Nations. The Australian and Colombian resolutions required the proposed commission to concern itself with recommendations on practical and effective safeguards as well as on the regulation and reduction of armaments and armed forces. The Colombian resolution specifically barred the new commission from considering anything relating to atomic weapons but assigned to it all other weapons adaptable to mass destruction.

(3) With reference to the report of the Atomic Energy Commission, the Australian and Colombian resolutions advocated the drafting of a convention or conventions setting up an international system for control of atomic energy with a time limit of three months for a report on this work. The French resolution merely called for consideration of the Commission's report as soon as possible.

(4) All called upon the Military Staff Committee to expedite proposals on the establishment of the United Nations armed forces under the provisions of article 43 of the Charter and on the withdrawal of troops from ex-enemy territory and friendly nations in accordance with section 7 of the General Assembly resolution. All placed a definite time limit of three months on the reports from the Military Staff Committee. The French and Australian resolutions also called upon the Military Staff Committee to make proposals on the information that member states should furnish on their armed forces.

<sup>7</sup> S/P. V./90, p. 33.

<sup>8</sup> *Ibid.*, p. 47.

<sup>9</sup> S/243, S/249, S/251.

Assessing these resolutions, these points appear clear:

(1) Concurrent examination of the problems of the regulation of atomic and conventional weapons was thought desirable.

(2) There was evidence that France, Australia, and Colombia supported expeditious consideration of the Atomic Energy Commission's report only after machinery for examining the problems of regulation and reduction of conventional armaments had been established.

(3) There were varying ideas as to the terms of reference of the proposed new commission and as to what it could accomplish in the three months' time allotted to it for making a report.

(4) There was general recognition of the relationship of the article 43 agreements to the regulation and reduction of armaments and armed forces.

### *U.S. Requests Postponement*

The debates which had started on January 9 continued on January 15. On that day Senator Warren R. Austin assumed his duties as the Representative of the United States on the Security Council. Speaking therefore for the first time, he requested that further consideration of the problems before the Council relating to the implementation of the General Assembly's resolution be postponed for three weeks until February 4. In support of this suggestion he pointed out that since he had just entered upon his duties he believed he needed more time for the consideration of the problems before the Council. Furthermore, since there was to be a new Secretary of State, he should also have time to study these problems. In concluding, Senator Austin expressed his belief that haste in the discussions would not be conducive to the desired unanimity of the Council.<sup>10</sup>

Mr. Gromyko, who followed Mr. Austin, objected to any postponement of the problem and felt that the Council's considerations should continue along the lines of the Soviet proposal.<sup>11</sup> Oscar Lange of Poland also opposed postpone-

ment and stressed his conviction of the urgency of putting the General Assembly's resolution into effect as quickly as possible. He stated that he believed disarmament was possible and was desired by the peoples of the world immediately rather than in any specific number of years in the future. He especially objected to the United States proposal because he envisaged substantial delays from the Council's first considering the Atomic Energy Commission's report.<sup>12</sup>

Dr. Quo Tai-chi of China<sup>13</sup> and Dr. Henrique de Souza Gomes of Brazil<sup>14</sup> in general supported the American position. Baron Silvercruijs of Belgium,<sup>15</sup> Dr. Alfonso Lopez of Colombia,<sup>16</sup> and Sir Alexander Cadogan of the United Kingdom expressed their willingness to agree to Senator Austin's request for postponement, although Baron Silvercruijs and Dr. Lopez saw no objection to concurrent discussion on conventional armaments and on atomic weapons and other major weapons adaptable to mass destruction. Of particular force was Sir Alexander Cadogan's conclusion to his observations on the length of time needed to prepare for the general disarmament conference:

"I am quite aware of the necessity for speed, but not break-neck speed, although I know that if one advises against break-neck speed, one exposes oneself to the easy taunt that one is obstructing disarmament or playing power politics, or some other sinister motive".<sup>17</sup>

At its meeting on January 20, by a vote of 9 to 2 with the Soviet Union and Poland opposing, the Security Council adopted Mr. Austin's resolution for postponement.<sup>18</sup>

### *The Situation at Postponement*

At postponement it appeared clear that if the American resolution requesting that the work of the Atomic Energy Commission be given first priority had been put to a vote it probably would not have been passed. This would have been due to the prevailing view in the Council that consideration of the work of the Atomic Energy Commission and the establishment of the new commission could be carried on simultaneously.

The views of the Soviet Union, already apparent, were made abundantly clear in the subsequent debates. It maintained that agreement should be reached for the outlawing of atomic weapons as soon as possible, prior to the successful negotia-

<sup>10</sup> S/P. V./93, pp. 32-40.

<sup>11</sup> *Ibid.*, pp. 51-52.

<sup>12</sup> *Ibid.*, pp. 60-80.

<sup>13</sup> S/P. V./92, pp. 12-25, 41.

<sup>14</sup> S/P. V./93, pp. 81-97, 97-110.

<sup>15</sup> *Ibid.*, pp. 121-122.

<sup>16</sup> S/P. V./95, p. 52.

tions for the establishment of an international system of controls and safeguards. The Soviet position had not changed since its proposals had been submitted to the Atomic Energy Commission on June 19, 1946. In specifically not correlating the outlawing of the atomic bomb with the establishment of any international system of controls and safeguards the Soviets were emphasizing only the prohibition of the use, manufacture, and possession of atomic weapons.<sup>17</sup> Mr. Molotov had reaffirmed this position during the General Assembly.<sup>18</sup> Mr. Gromyko's insistence on speed in setting up a new commission, with authority and terms of reference not clearly defined, was not only counter to the United States objective of priority for the work of the Atomic Energy Commission as a first step in the regulation and reduction of armaments and armed forces, but also seemed to look toward a possible new forum for the Soviet atomic-weapons proposals. In such a forum the Soviet Government might have sought to circumvent or overrule the decisions and recommendations of the Atomic Energy Commission.<sup>19</sup>

## **The Second Phase: The Commission's Terms of Reference**

### *U. S. Objective and Resolution*

The United States objective, when discussions were resumed in the Security Council on February 4, was to make certain that the new commission was given precise terms of reference. With inadequately defined terms of reference it might duplicate the functions of the Atomic Energy Commission. It was felt that a commission on such a vital matter with no concrete aims and no clear-cut authority would be most unsatisfactory, and failure in its considerations would be disastrous to the world's hopes for future peace. To assure a careful study of the composition and terms of reference of the commission, the United States view was that the Council should establish a special committee which would have the task of recommending to it the terms of reference of the proposed commission and the relationship of the commission to the Military Staff Committee and the Atomic Energy Commission.

Two other objectives which the United States felt necessary were (1) a commitment on the part of the Security Council that it would allow no delay in the consideration of the Atomic Energy Commission's first report, which had been on the Council's agenda for nearly a month, and (2)

the elimination of any concept that the proposed new commission might be able to make a comprehensive report within the relatively short and specified time limit especially if satisfactory action by the Council had not been taken on the Atomic Energy Commission report. Provisions to achieve these objectives were set forth in the resolution presented by Mr. Austin to the Council at its meeting on February 4. The resolution read as follows:

"The Security Council, in consideration of the General Assembly Resolution of December 14, 1946, on the "Principles Governing the Regulation and Reduction of Armaments",

#### *"Resolves:*

"1. To establish a commission composed of the Members of the Security Council, the function of which shall be to make recommendations to the Security Council regarding the practical measures, including the provision of effective safeguards for the general regulation and reduction of armaments and armed forces, except as regards those matters which fall within the competence of the Atomic Energy Commission as determined by the General Assembly Resolutions of January 24, 1946, and December 14, 1946.

"2. To create a committee of the Security Council consisting of a representative of each member of the Council which shall make recommendations to the Security Council regarding the terms of reference of the proposed Commission, including its relations with the Security Council, the Military Staff Committee, and the Atomic Energy Commission.

"3. To begin at its next meeting consideration of the First Report of the Atomic Energy Commission dated December 31, 1946, with particular reference to the Recommendations contained in Part III thereof." <sup>20</sup>

<sup>17</sup> Atomic Energy Commission doc. no. 7, June 24, 1946; *International Control of Atomic Energy: Growth of a Policy* (Department of State publication 2702), pp. 209-216.

<sup>18</sup> *Journal of the United Nations*, no. 18, supp. A-A/P. V./42, pp. 167-168, 175-180, 181.

<sup>19</sup> At the tenth meeting of the Atomic Energy Commission, Dec. 30, 1946, the Commission adopted its first report for submission to the Security Council with 10 members voting in the affirmative and with the U.S.S.R. and Poland abstaining (*First Report of the United Nations Atomic Energy Commission to the Security Council*, Dec. 31, 1946, Department of State publication 2737).

<sup>20</sup> S/264.

In the statement which he made at the time, Mr. Austin again underscored this country's position that security is prerequisite to the general regulation and reduction of armaments and armed forces.

"The United States is committed to the principles of international collective security set forth in the United Nations Charter. In fulfillment of its obligation under this Charter, the United States must insist that in any plan or program for the general regulation and reduction of armaments practical security arrangements must be a primary consideration. The Members of the United Nations must have definite, concrete assurances that effective and enforceable safeguards with regard to such security arrangements have been established before committing themselves to final plans for the reduction of armaments and armed forces."<sup>21</sup>

Mr. Austin contended that the questions relating to establishing international collective security constituted the "how" and the "when" of the problem of the regulation and reduction of armaments. The "how" involved the necessary safeguards which should be included in any treaties or conventions to protect complying states against the hazards of violations and evasions, and the "when" involved such matters as the conclusion of the peace treaties and the provision of armed forces for the Security Council under article 43 of the Charter.

#### *Reply of the U. S. S. R.*

Mr. Gromyko immediately subjected the United States proposal to severe criticism. He held that the first paragraph of the new American proposal was merely a repetition of the Soviet proposal and that the General Assembly resolution of December 14 satisfactorily outlined the terms of reference for the Atomic Energy Commission and the proposed new commission. Therefore, he objected strongly to creating a committee to consider the relation of the proposed commission to the other organs of the United Nations by characterizing it as unnecessary. Moreover, a committee would mean a delay in the consideration and preparation of practical measures to implement the Assembly resolution of December 14. The immediate

creation of a commission would make it possible for work to be begun immediately upon the preparation of practical measures to implement this resolution.

In conclusion he stated the basic Soviet position on the regulation of armaments:

"The statements made by the representatives of the United States very often contain as a kind of constant theme the idea that it is impossible for the United States to proceed to disarmament or, to use the phrase we have adopted, the regulation and reduction of armaments and armed forces, until a complete system of security and safeguards has been set up. An attempt is . . . made [by the United States proposal] to establish opposition between the general regulation and reduction of armaments and armed forces, on the one hand, and on the other, the system of guarantee of security and safeguard. This opposition may very well lead to misunderstanding in some quarters. I think from the factual, methodological and logical point of view that this opposition is altogether false. The reduction of armaments and armed forces is an essential, an integral part of the security system that is so ardently desired by all peace-loving people."<sup>22</sup>

#### *Views of Australia and the U.K.*

At the afternoon meeting on February 4, the Australian Representative came out in opposition to the new United States resolution. He objected to the requirements of paragraph 3, the practical effect of which would be to give priority consideration to the Atomic Energy Commission's report, which would defer Security Council action on the general regulation and reduction of armaments. He shared Mr. Gromyko's feeling that the suggested committee for establishing the terms of reference of the proposed commission would cause delay, saying that he felt that it was possible for the Security Council itself to establish the commission, determine its membership, and set forth its terms of reference. Finally, he criticized the new resolution for failing to mention such other urgent matters as the work of the Military Staff Committee as referred to in the General Assembly resolution of December 14. In an effort to reconcile the differences between the various proposals before the Council, the Australian representative suggested that the authors of the various resolutions should, at the di-

<sup>21</sup> S/P. V./98, p. 17.

<sup>22</sup> *Ibid.*, pp. 41-74.

rection of the President of the Council, confer either formally or informally to try to arrive at a mutually acceptable draft resolution.<sup>23</sup>

The United Kingdom representative held that the differences of opinion with regard to establishing a special committee charged with formulating the new commission's terms of reference were essentially illusory, since presumably the same nations, whether in the Council, in the Committee, or in the proposed commission, would be the same. However, he believed that the proposal of the United States was a more regular procedure than the alternative of having a new commission attempt to determine its own terms of reference.<sup>24</sup>

#### *The Drafting Committee's Discussions and Report*

After some further discussion, it was agreed that Fernand van Langenhove of Belgium, the President of the Council, would call together the representatives of Australia, Colombia, France, the United States, and the U.S.S.R. for informal discussions looking to a possible compromise draft.

Three days of informal discussions failed to resolve the chief point of disagreement between the United States and the Soviet Union on the terms of reference for the new commission. At the meetings held on February 5, 6, and 7, this Government's concern over the importance of having the terms of reference of the commission so clearly defined as to avoid encroachment on the functions of the Atomic Energy Commission proved justified. The Soviet Representative continued to oppose as unnecessary the United States insistence on precise terms of reference. It was therefore necessary for the informal group to present alternatives for paragraph 3 of the draft proposal.

The resolution returned to the Security Council did, however, represent a wide area of agreement. Based on the French proposal, it contained a modified form of the Soviet preamble and first paragraph. Paragraph 2 of the resolution reported the fact that agreement with the U.S. position had been reached, that the Atomic Energy Commission's report would be considered by the Council as expeditiously as possible. The United States on its part acceded to the three months' time limit on the commission's first report. Paragraph 4 represented agreement on the belief that the Military Staff Committee should hasten the completion of its recommendations with regard to the im-

plementation of article 43 of the Charter. Only with regard to the terms of reference and the authority of the new commission did basic disagreements remain. These were set forth in paragraph 3, which read as follows (the italicized portion was that specified as essential by the United States but opposed by the Soviet Union) :

"3. To set up a Commission consisting of representatives of the members of the Security Council with instructions to prepare and to submit to the Security Council within the space of not more than three months, the proposals:

"(a) for the general regulation and reduction of armaments and armed forces and

"(b) for practical and effective safeguards in connection with the general regulation and reduction of armaments.

"which the Commission may be in a position to formulate in order to ensure the implementation of the above-mentioned resolutions of the General Assembly of 14 December 1946 *insofar as these resolutions relate to armaments within the new Commission's jurisdiction.*

*"The Commission shall submit a plan of work to the Council for approval.*

*"Those matters which fall within the competence of the Atomic Energy Commission as determined by the General Assembly resolutions of 24 January 1946 and 14 December 1946 shall be excluded from the jurisdiction of the Commission hereby established.*

*"The title of the Commission shall be the Commission for Conventional Armaments.*

"The Commission shall make such proposals as it may deem advisable concerning the studies which the Military Staff Committee and possibly other organs of the United Nations might be asked to undertake."<sup>25</sup>

#### **The Third Phase: Compromise and Agreement**

##### *Discussions on Paragraph 3 of Draft Resolution*

When the sessions of the Security Council recommenced on February 11 the position of Mr. Austin had received strong endorsement from the new Secretary of State. At his first press conference on February 7, the Secretary had declared that in the regulation and reduction of world ar-

<sup>23</sup> S/P. V./99, pp. 1-20.

<sup>24</sup> *Ibid.*, pp. 21-30.

<sup>25</sup> S/268.

maments the goal of all was a peace based on collective security. The United States would work with other nations toward the rapid attainment of this goal. He held that the international control of atomic energy together with effective safeguards was of first importance and that the problems posed by the peace settlements had to be resolved before any real disarmament could be anticipated.<sup>26</sup>

Mr. Austin opened the debate by reiterating the United States view that the jurisdiction of the two commissions should be precisely defined. He held that the General Assembly would never have agreed that the Security Council should set up a new commission whose authority would in any way encroach on that of the Atomic Energy Commission, and he pointed to paragraph 8 of the General Assembly resolution to emphasize that fact. Adverting to the Soviet Union's reluctance to agree to the specific delineation of functions between the two commissions, he said:

"I think it is clear from the discussions we have had up to date that the Soviet Union is not willing that the new Commission should be expressly barred from considering matters which have been assigned to the Atomic Energy Commission. I make no attempt to assign a reason for that refusal, but it is clear that one reason might be an intention on the part of the Soviet Government to introduce proposals into this new Commission which appropriately fall within the terms of reference of the Atomic Energy Commission."

Mr. Austin stated that this Government's position had been strengthened because of this Soviet view not to agree to terms of reference which would allow any member of the United Nations such an opportunity. With reference to the possibility that obscure jurisdictional lines might raise the problem as to what information might be available to the new commission, he argued that it might conceivably be empowered to request members to furnish information regarding atomic weapons and other major weapons adaptable to mass destruction. This, he held, should remain within the sole jurisdiction of the Atomic Energy Commission. In support he pointed in this connection to a statement of Mr. Gromyko before the

General Assembly with reference to information on military personnel:

". . . however much this information may be of interest to the General Assembly or to the Security Council before the consideration of the question of the general reduction of armaments, the value of such information would not be very great if we did not receive at the same time the submission of all information concerning armaments, having in mind all types of armaments, and including therein the new types of armaments for mass destruction."

In view of this statement on the record, Mr. Austin said that for the Security Council to fail to adopt the version of paragraph 3 of the draft resolution which most clearly outlined the two commissions' jurisdictions would be to risk undoing, through the medium of the new commission, the work already done and reported on in the first report of the Atomic Energy Commission.

In concluding, he stated that the actions of the United States could not be interpreted as delaying the cause of disarmament; on the contrary, this country was responsible for initially proposing that atomic bombs, the greatest weapon of all, be eliminated from national armaments and that safeguards be set up to assure compliance.<sup>27</sup>

Mr. Gromyko, in reply, argued once more that the terms of reference of both commissions were clear in the General Assembly resolution and as such should not be subject to action by the Security Council. He held that the United States, by stubbornly insisting on language which created an artificial opposition between the Atomic Energy Commission and the proposed new commission, diverted the attention of the Council from the main issue of the rapid implementation of the General Assembly resolution by focusing the Council's attention on purely organizational procedural questions. He then went on to say:

"The resolutions adopted by the General Assembly do not speak separately of provisions governing atomic weapons, on the one hand, and other conventional weapons on the other. Atomic arms are mentioned within the general framework of arms and armaments, and there is no opposition in these resolutions of the General Assembly, as there is in the United States proposals, between atomic arms, on the one hand, and armaments of other kinds, on the other. There is no attempt to

<sup>26</sup> BULLETIN of Feb. 16, 1947, p. 286.

<sup>27</sup> S/P. V./102, pp. 17, 18, 21, 22, 36-40.

speak, first of all, of atomic weapons and then, in the second place, of other weapons.”

He concluded by saying that various interpretations were possible in regard to the powers of the Atomic Energy Commission and the proposed commission and that the problem should be resolved. However, he believed that the Council could be guided only by the General Assembly's resolution and not by the proposals of the United States. Not only were they unnecessary but they would be harmful in that they would delay the Council in its assignment of expediting the general regulation and reduction of armaments and armed forces.<sup>28</sup>

This clarification of the Soviet position was the turning point in the discussion. It became fully evident that the adoption of the Soviet version of paragraph 3 would make it possible for the labors and recommendations of the Atomic Energy Commission to be avoided or confused in another commission.

Speaking in general support of the United States position, Mr. de la Tournelle of France held that considerations on the control of atomic energy and those relating to general disarmament should be conducted on parallel lines and were independent of each other since neither was properly subordinate to the other.<sup>29</sup>

Colombia,<sup>30</sup> Great Britain, Brazil,<sup>31</sup> Australia,<sup>31</sup> and China<sup>31</sup> supported the French and American position that the terms of reference of the new commission should be clearly set forth in the resolution. Sir Alexander Cadogan asked Mr. Gromyko, with regard to paragraph 3, whether he believed that the phrasing was unnecessary or whether he objected to the substance of the proposed phrase. If the former, he urged him to drop his objection, but if the latter he felt that it was essential that the doubt be cleared up immediately to “avoid constant wrangling in the Commission itself and perhaps between the two Commissions and consequent delay and confusion.”<sup>32</sup> Only Mr. Michalowski of Poland supported the Russian view that the wording advocated by the United States was unnecessary.<sup>33</sup>

After considerable discussion entailing much parliamentary procedure, the proposed wording for paragraph 3 advocated by Mr. Austin was accepted by the Council by a vote of 9 to 0 with the Soviet Union and Poland abstaining.<sup>34</sup>

### *Debate on Article 43 Agreements*

During the two days' discussions of February 12 and 13, the slow progress of the Military Staff Committee was subjected to several severe commentaries from the members of the Council, particularly the representatives of France, Great Britain, and Australia. The latter two introduced amendments seeking to place a definite time limit for a report from the Military Staff Committee.<sup>35</sup> The French Representative, Mr. de la Tournelle, pointed out that at the request of the Soviet Delegation the French Delegation had, during the course of the informal discussions of February 5, 6, and 7, consented not to demand any time limit for the carrying out by the Military Staff Committee of the task assigned to it by the Security Council concerning the organization of the United Nations armed forces. He pointed out that the absence of a report from the Military Staff Committee was particularly regrettable in that it was impossible to conceive of a general reduction of armaments without the organization of an international system of collective security. “Without security”, he said, “States which would disarm would risk their security.”<sup>36</sup> Sir Alexander Cadogan in his attack on the work of the Military Staff Committee blamed the Soviet Union for the delay in its work and supported the French view by observing—

“I am afraid, it seems to me, that with our concentration on the reduction of armaments we have relegated or risked relegating consideration of security to the background. My Government would ask me to resist very strongly any tendency of that kind as they are extremely anxious to see progress made with this side of the question.”<sup>37</sup>

Replying to Sir Alexander Cadogan's observations on security and disarmament and his criticism of the work of the Military Staff Committee, Mr. Gromyko stated:

<sup>28</sup> *Ibid.*, pp. 54-60, 64-65, 71.

<sup>29</sup> S/P. V./103, p. 12.

<sup>30</sup> *Ibid.*, pp. 16-55.

<sup>31</sup> S/P. V./104, pp. 1-20, 21-35, 46-55.

<sup>32</sup> S/P. V./103, p. 58.

<sup>33</sup> S/P. V./104, pp. 36-45.

<sup>34</sup> *Ibid.*, p. 171.

<sup>35</sup> *Ibid.*, p. 28; S/P. V./103, p. 62.

<sup>36</sup> *Ibid.*, p. 12.

<sup>37</sup> *Ibid.*, p. 61.



"Sir Alexander is virtually only repeating a thesis which has been very much used in recent times and which has become popular not only in banquets, but also in the meetings of the Security Council; the thesis that it is not possible to proceed to the regulation and reduction of armaments and armed forces until an international system of security has been set up. . . . This contrast which is drawn between the two questions, security and disarmament, only tends to complicate the position and to obscure the important questions with which the Security Council has to deal."<sup>38</sup>

After having discussed his concern at the length of time which it would take the proposed commission to start upon its functions, and having urged all possible speed in establishing a commission, Mr. Gromyko, who had originally proposed a report within three months from the new "disarmament" commission and who had favored the phrasing of the compromise draft proposal calling for the new commission's report "within the space of not more than three months",<sup>39</sup> turned to the subject of the Military Staff Committee and observed:

"We should not forget, Mr. President, that it is unwise to take a decision regarding the execution of which there is some doubt, a decision which may not be capable of execution at all or which may be capable only of inadequate execution. Unfortunately, the Security Council does not at present know enough about the position to be able to fix, in my opinion a date when the Military Staff Committee should make this submission to the Security Council. We do not know how soon the Military Staff Committee will be in a position to make these recommendations. We have not asked the Military Staff Committee at what time it thinks it will be in a position to make these first recommendations. I think perhaps it may be found, after consulting the Military Staff Committee, that they can submit them before the 30th of April. On the other hand, it may be found that they can submit them only after that date. I wonder, Mr. President—and this is only a question—whether it would not be better, first of all, to ascertain the

facts of the situation before adopting a resolution of such a definite character."<sup>40</sup>

#### *Adoption of the Resolution of February 13, 1947*

Debate on the various proposals for amendments ended, the Council adopted the following resolution by a vote of 10 to 0.<sup>41</sup> The U.S.S.R. abstained.

"The Security Council, having accepted the resolution of the General Assembly of 14 December, 1946 and recognizing that the general regulation and reduction of armaments and armed forces constitute a most important measure for strengthening international peace and security, and that the implementation of the resolution of the General Assembly on this subject is one of the most urgent and important tasks before the Security Council,

#### *"Resolves:*

"1. to work out the practical measures for giving effect to the resolutions of the General Assembly of 14 December 1946 concerning, on the one hand, the general regulation and reduction of armaments and armed forces, and the establishment of international control to bring about the reduction of armaments and armed forces and, on the other hand, information concerning the armed forces of the United Nations.

"2. to consider as soon as possible the report submitted by the Atomic Energy Commission and to take suitable decisions in order to facilitate its work.

"3. to set up a Commission consisting of representatives of the members of the Security Council with instructions to prepare and to submit to the Security Council within the space of not more than three months, the proposals:

"(a) for the general regulation and reduction of armaments and armed forces, and

"(b) for practical and effective safeguards in connection with the general regulation and reduction of armaments

"which the Commission may be in a position to formulate in order to ensure the implementation of the above-mentioned resolutions of the General Assembly of 14 December 1946, insofar as these resolutions relate to armaments within the new Commission's jurisdiction.

*(Continued on page 743)*

<sup>38</sup> S/P. V./104, p. 62.

<sup>39</sup> S/P. V./105, p. 11.

<sup>40</sup> S/P. V./104, pp. 87-88.

<sup>41</sup> S/P. V./105, p. 36.

## Moscow Meeting of the Council of Foreign Ministers: Questions Relating to Germany

### STATEMENTS BY THE SECRETARY OF STATE

#### **Relation of German Coal Production to Economic Unity<sup>1</sup>**

The report of the Allied Control Council on the production and allocation of coal clearly indicates the vital need for economic unity. Coal is Germany's most important natural resource. The amount of coal produced in Germany, and the way this coal is allocated, greatly affects the level of general industrial production in Germany and in many other countries. So long as Germany is divided, the production and distribution of coal, as of all other resources, remains the responsibility of the several zone commanders. Only by treating Germany as an economic unit can our joint efforts be effectively brought to bear on the coal problem in Germany.

Coal production: the report points up the need for an increase of manpower in the mines, for wage adjustments, for production of mine supplies, and for better food rations, improved housing, and other incentives for miners. From 180,000 tons daily in September, Ruhr production has increased to a recent peak day of 238,000 tons. In spite of continuing difficulties, it is believed that a solid groundwork is being laid for the gradual recovery of coal production in the Ruhr.

Allocation of coal: while the Control Council nominally allocated coal for more than a year, there was never a real allocation of production from all four zones. It has proved impossible to obtain Soviet agreement to include in allocations the coal production from Soviet zone based on common requirements. The Soviet zone, for example, excluded about 700,000 tons of coal per month which were converted into synthetic fuel. Neither this coal nor the synthetic fuel it produced were ever subject to allocation. Actually, four-power allocation was being made of production from the three western zones only. Coal from the Soviet zone was bartered for hard coal from the Ruhr, but was never made available for general allocation within Germany or for exports.

When the Soviet zone commander refused to correct this arrangement, and insisted on unilateral determination of Soviet zone requirements, the four-power allocation of coal broke down.

The solution of the coal problem depends on common planning and common control of both production and allocation for all commodities in short supply, including allocation of imported as well as indigenous resources. Coal and steel cannot be allocated for all four zones if food and fertilizer are not allocated but treated as zonal resources. In other words, we advocate the economic unity of Germany and the common use of all of its resources, including coal. Again we urge all delegations to accept this fundamental principle of the Potsdam agreement.

Until this is agreed, there is no action we can take on this coal report except to note it.

#### **Delimitation of Scope of Proposed Four-Power Treaty for Germany<sup>1</sup>**

Yesterday we discussed the United States proposal for a four-power treaty to assure the continuing disarmament and demilitarization of Germany. We had proposed that treaty as a first step and basic step. As a first step it would dispel fear, which is never a wise counselor. As a basic step, it was simple and limited to one concrete thing, namely, preventing the rearmament of Germany.

There are many aspects to the German settlement. The four-power pact is not intended to deal with all of these. We have not so represented it. If there are any illusions about this, they are not of our creation. But a first and basic step should be directed against one thing which can be identified and which is most feared, namely, the military rearmament of Germany.

It has been suggested here that the proposed four-power treaty should be amended to deal with

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<sup>1</sup> Made on Apr. 15, 1947, and released to the press in Moscow on that date and in Washington on Apr. 16.

a great mass of other subjects such as the permanent regime for the Ruhr, the denazification of Germany, the democratization of Germany, the accomplishment of land reforms, the collection of reparation, the elimination of cartels, et cetera.

All these matters must be dealt with by the Control Council or in the ultimate peace settlement. To deal with them in the four-power treaty which we proposed would be totally to alter the scope and purpose of that treaty. Such amendments have no place in the kind of treaty we propose.

Such provisions have no more place in the proposed treaty than in the series of bilateral treaties against German aggression which have been negotiated by the Soviet Union, all of which are simple and none of which contain any such provisions as the Soviet Union now proposes for the four-power treaty. The proposals, in our opinion, would usurp, for the four of us, peace-treaty powers which belong to the Allied nations as a whole.

Yesterday I put the inquiry as to whether the other three powers here are prepared in principle, I repeat *in principle*, to negotiate quickly a treaty of the character suggested by the United States whereby the four of us will undertake to keep Germany disarmed. That question, I understand, has been answered in the affirmative by France and the United Kingdom. I should like to know whether the Soviet Delegation is willing to refer this matter to plenipotentiaries for negotiation on the basis which the United States proposed.

#### **Consideration of Disarmament Measures for Germany<sup>2</sup>**

A year ago at the meeting of the Council of Foreign Ministers in Paris, Secretary Byrnes presented a draft of a treaty whereby the four principal Allied powers would undertake to work

together to keep Germany disarmed for 25 years or more. That proposal was made because the United States is determined to take an active part in keeping Germany disarmed. The proposal was made soon after fighting stopped and before the German settlement was reached on the Council's agenda because we wanted as quickly as possible to dissipate fear and make it more likely that the peace settlements of Europe would be planned wisely. A year has now elapsed. There has been ample time for reflection. The United States Government believes that the time has now come for the other three Allied powers to decide whether or not they want a four-power treaty to keep Germany disarmed.

As regards the text, the United States has always recognized that study and intervening events would suggest the desirability of some changes in the first provisional draft. I now suggest that the treaty might provide for periodic review of its terms. In particular, after the peace treaty with Germany becomes final, the four-power treaty should be reconsidered to adapt it to the provisions of the peace treaty. I also suggest that any prohibitions contained in the four-power treaty should be included in the peace treaty so as to bind the German state and become the law of the land in Germany, obligating Germans individually to obey and German courts to enforce.

I have no doubt other suggestions will be made which can improve the text provided it is kept simple and clearly just. However, I do not ask the Council now to involve itself in considering texts. The decision we want is a decision as to whether the other three powers here want to have a four-power treaty to prevent the rearmament of Germany. If so, then I propose that we designate plenipotentiaries to negotiate promptly the final text.

## **American Position on Peace Conference**

### **STATEMENT BY THE SECRETARY OF STATE<sup>2</sup>**

Saturday I stated that I would make a statement today to clarify the American position regarding

the peace conference and answer some questions raised by my colleagues.

In general our position has been that the conference should function along substantially the

<sup>2</sup> Made on Apr. 14, 1947, and released to the press in Moscow on that date and in Washington on Apr. 15.

same lines as the Assembly of the United Nations. It does not seem to us that it would be proper to exclude any state at war with Germany from participation in the peace conference. While the original proposal of the United States provides that all states at war should be accorded full and equal rights as members of the conference, the United States Delegation is prepared to agree that the so-called "two-thirds" recommendations of the conference should require not only two thirds of all the states present and voting but also two thirds of those states present and voting which are enumerated in paragraph 2 of part 1 of the Deputies' report. That is, there would be no "two-thirds" recommendation unless it was concurred in by two thirds of those states present and voting which are neighbors of Germany or which participated with their armed forces in the common struggle against Germany.

Similarly, the U.S. Delegation is prepared to agree that the so-called "simple majority" recommendations should require not only a majority of all states present and voting but a majority of those states present and voting which are enumerated in paragraph 2 of part 1 of the Deputies' report.

The United States Delegation is also prepared to agree that the recommendations of the peace conference should be considered by the Council of Foreign Ministers in drawing up the final text of the German treaty in the same way as the recommendations of the Paris conference on the satellite treaties were considered. In other words, the Council must take into consideration both classes of recommendations. While the "two-thirds" recommendations will naturally carry greater weight than the "simple majority" recommendations, their acceptance by the Council will not be obligatory on the Council.

The United States Delegation has suggested that the German constitution should contain a clause directing the German Government to accept and ratify the peace treaty. One of the major Nazi attacks against the democratic representatives who in behalf of Germany signed and accepted the Versailles Treaty was that Germany was thus betrayed by democrats. We believe that, by the constitutional procedure we suggest, responsibility for the acceptance of the treaty would rest on the German people. Under those circumstances we will not object to the treaty being signed and ratified by the German Government.

#### **Armaments Commission—Continued from page 740**

"The Commission shall submit a plan of work to the Council for approval.

"Those matters which fall within the competence of the Atomic Energy Commission as determined by the General Assembly resolutions of 24 January 1946 and 14 December 1946 shall be excluded from the jurisdiction of the Commission hereby established.

"The title of the Commission shall be the Commission for Conventional Armaments.

"The Commission shall make such proposals as it may deem advisable concerning the studies which the Military Staff Committee and possibly other organs of the United Nations might be asked to undertake.

"4. to request the Military Staff Committee to submit to it, as soon as possible and as a matter of urgency, the recommendations for which it has been asked by the Security Council on 16 February 1946 in pursuance of Article 43 of the Charter, and as a first step, to submit to the Security Council not later than 30 April, 1947, its recommendations with regard to the basic principles which should govern the organization of the United Nations Armed Force."<sup>42</sup>

#### **The Task Ahead in the Commission on Conventional Armaments**

In the two months which have followed the adoption of the resolution, the differences as to the relationship and precedence of international security or disarmament have remained. Pursuant to the urgings of the United States the Security Council finished its considerations of the Atomic Energy Commission's first report and returned the problems posed therein to the commission for further study. The Commission for Conventional Armaments has held its first meetings, and in three months the Commission is to make its first report to the Security Council. The difficulties confronting the Commission are many and do not appear to be subject to swift settlement, and therefore its first report does not warrant great hopes; but at least the opportunities of the Commission's eventual success are definitely enhanced by the clarification of its authority and objectives.

<sup>42</sup> S/268/Rev. 1/Corr. 1.

# INTERNATIONAL ORGANIZATIONS AND CONFERENCES

## *Calendar of Meetings*<sup>1</sup>

<b>In Session as of April 20, 1947</b>		<b>1946</b>
Far Eastern Commission. . . . .	Washington . . . . .	Feb. 26
United Nations:		
Security Council . . . . .	Lake Success . . . . .	Mar. 25
Military Staff Committee . . . . .	Lake Success . . . . .	Mar. 25
Commission on Atomic Energy . . . . .	Lake Success . . . . .	June 14
		<b>1947</b>
Commission on Conventional Armaments . . . . .	Lake Success . . . . .	Mar. 24
Trusteeship Council. . . . .	Lake Success . . . . .	Mar. 26
Meeting of Experts on Passport and Frontier Formalities.	Geneva . . . . .	Apr. 14
Trusteeship Council Questionnaire Committee . . . . .	Lake Success . . . . .	Apr. 15
German External Property Negotiations (Safehaven):		<b>1946</b>
With Portugal . . . . .	Lisbon . . . . .	Sept. 3
With Spain. . . . .	Madrid . . . . .	Nov. 12
Inter-Allied Trade Board for Japan . . . . .	Washington . . . . .	Oct. 24
		<b>1947</b>
Council of Foreign Ministers . . . . .	Moscow . . . . .	Mar. 10-Apr. 24
International Wheat Conference . . . . .	London . . . . .	Mar. 18- Temporarily adjourned. Reconvened Apr. 14-23.
International Conference on Trade and Employment: Second Meeting of Preparatory Committee.	Geneva . . . . .	Apr. 10
International Red Cross Committee. . . . .	Geneva . . . . .	Apr. 14-26
ECITO (European Central Inland Transport Organization): Seventh Session of the Council.	Paris . . . . .	Apr. 14
ICAO (International Civil Aviation Organization): Euro- pean-Mediterranean Special Air Traffic Control Con- ference.	Paris . . . . .	Apr. 15
<b>Scheduled for April-June 1947</b>		
FAO (Food and Agriculture Organization):		
<i>Ad hoc</i> Salt Fish Working Party . . . . .	Washington . . . . .	Apr. 21-25
International Timber Conference . . . . .	Marianske-Lazne, Czechoslovakia.	Apr. 28-May 10
Rice Study Group . . . . .	Trivandrum, Travancore, India.	May 15
Executive Committee . . . . .	Washington . . . . .	June 21

<sup>1</sup> Prepared in the Division of International Conferences, Department of State.

*Calendar of meetings—Continued*

		1947
Fifth International Hydrographic Conference . . . . .	Monaco . . . . .	Apr. 22
ILO (International Labor Organization):		
Industrial Committee on Coal Mining . . . . .	Geneva . . . . .	Apr. 22
Industrial Committee on Inland Transport . . . . .	Geneva . . . . .	May 6
101st Session of Governing Body . . . . .	Geneva . . . . .	June 13
30th Session of International Labor Conference . . . . .	Geneva . . . . .	June 19
American International Institute for the Protection of Childhood: Meeting of the International Council.	Montevideo . . . . .	Apr. 25
International Meeting of Marine Radio Aids to Naviga- tion.	New York and New London . .	Apr. 28-May 10
United Nations:		
General Assembly: Special Session . . . . .	Flushing Meadows . . . . .	Apr. 28
Committee on Progressive Development and Codifi- cation of International Law.	Lake Success . . . . .	May 1 <sup>2</sup>
Economic Commission for Europe:		
First Plenary Session . . . . .	Geneva . . . . .	May 2
Transport Session . . . . .	Geneva . . . . .	May 15 <sup>2</sup>
Economic Commission for Asia and the Far East:		
First Plenary Session . . . . .	Shanghai . . . . .	June 5 <sup>2</sup>
Committee of the Whole . . . . .	Lake Success . . . . .	June 23 <sup>2</sup>
Preparatory Conference of Experts on Telecommuni- cations.	Lake Success . . . . .	June 16 <sup>2</sup>
ECOSOC (Economic and Social Council):		
Fiscal Commission . . . . .	Lake Success . . . . .	May 19 <sup>2</sup>
Subcommission on Freedom of Information and of the Press.	Lake Success . . . . .	May 19 <sup>2</sup>
Subcommission on Statistical Sampling . . . . .	Lake Success . . . . .	June 2 <sup>2</sup>
Economic and Employment Commission . . . . .	Lake Success . . . . .	June 2 <sup>2</sup>
Human Rights Drafting Committee . . . . .	Lake Success . . . . .	June 9 <sup>2</sup>
ICAO (International Civil Aviation Organization):		
Interim Council . . . . .	Montreal . . . . .	Apr. 29
Air Transport Committee . . . . .	Montreal . . . . .	April
First Meeting of General Assembly . . . . .	Montreal . . . . .	May 6
South American Regional Air Navigation Meeting . . . . .	Lima . . . . .	June 17
IRO (International Refugee Organization): Second Part of First Session of Preparatory Commission.	Lausanne . . . . .	May 1
Congress of the Universal Postal Union . . . . .	Paris . . . . .	May 6
International Radio Conference . . . . .	Atlantic City . . . . .	May 15
PMCC (Provisional Maritime Consultative Council) . . . . .	Paris . . . . .	May 16
IEFC (International Emergency Food Council): Fourth Meeting.	Washington . . . . .	May 26-27
IARA (Inter-Allied Reparation Agency): Meeting on Conflicting Custodial Claims.	Brussels . . . . .	May
Eleventh International Congress of Military Medicine and Pharmacy.	Basel . . . . .	June 2-7
International Cotton Advisory Committee . . . . .	Washington . . . . .	June 9
Caribbean Commission: Fourth Meeting . . . . .	Jamaica . . . . .	June 23-30
UNRRA Council: Seventh Session . . . . .	Washington . . . . .	June

<sup>2</sup> Tentative.

# Policy for the Revision of the Japanese Educational System<sup>1</sup>

## Guiding Principles and Objectives

1. Education should be looked upon as the pursuit of truth, as a preparation for life in a democratic nation, and as a training for the social and political responsibilities which freedom entails. Emphasis should be placed on the dignity and worth of the individual, on independent thought and initiative, and on developing a spirit of inquiry. The inter-dependent character of international life should be stressed. The spirit of justice, fair play, and respect for the rights of others, particularly minorities, and the necessity for friendship based upon mutual respect for people of all races and religions, should be emphasized. Special emphasis should also be placed on the teaching of the sanctity of the pledged word in all human relations, whether between individuals or nations. Measures should be taken as rapidly as possible to achieve equality of educational opportunity for all regardless of sex or social position. The revision of the Japanese educational system should in large measure be undertaken by the Japanese themselves and steps should be taken to carry out such revision in accordance with the principles and objectives set forth in this paper.

## Training, Recruitment, and Conditions of Service of Teachers

2. Those teachers and other educational officials whose record shows them to have been pronounced exponents of ultra-nationalistic, militaristic, or totalitarian ideas, should be forbidden to teach or engage in other employment connected with education.

3. Short refresher courses and vacation schools for teachers should be opened, so far as possible, in order to train them in democratic ideas.

4. The development of modern techniques of teaching should be encouraged and opportunities should be provided for teachers to become ac-

quainted with these techniques. In this connection, regard should be had to the value of affording teachers opportunities of transferring from one institution to another.

5. As a corrective to the regimented and limiting nature of normal-school training in the past, and to provide teachers with aims and techniques in harmony with the objectives of the occupation, special emphasis should be placed upon the reorganization of normal schools and the establishment of teacher-training institutes staffed with the most competent instructors available for inculcating democratic principles. Endeavors should be made to increase the proportion of teachers who have had a university training.

6. The teaching profession should be recognized as of vital importance to the future welfare and democratic development of the nation, and its economic status should be improved to a degree commensurate with this importance. Consideration should be given to the establishment of salary scales affording all teachers a reasonable standard of living according to their abilities, qualifications, and responsibilities without the necessity of supplementing their income from outside sources. A basic living wage should be guaranteed for all teachers, with increases according to their qualifications.

## Textbooks, Curricula, and Teaching Methods

7. Teaching of ultra-nationalism, state Shintoism, veneration of the Emperor, exaltation of the state over the individual, and race superiority, should be eliminated from the educational system.

8. Textbooks and other reading material that contain such ideas as those outlined above should be withdrawn from use in schools. New textbooks should be issued which give an understanding of progressive ideas. Foreign books should be made available, especially in central libraries, and for teachers. These objectives should be given due weight when allocations of paper supplies and imports of foreign publications are made.

9. Courses in social sciences, civics, constitutional law and government, current events, world affairs, and international cooperation should be

<sup>1</sup> Policy decision approved by the Far Eastern Commission on Mar. 27, 1947, and released to the press on Apr. 11. A directive based upon this decision has been forwarded to the Supreme Commander for the Allied Powers for implementation.



made an integral part of the educational system at appropriate levels of teaching.

10. Teaching of military subjects should be totally forbidden in all educational institutions. The wearing by students of military-style uniforms should be forbidden. Classical sports such as *kendo*, which encourage the martial spirit, should be totally abandoned. Physical training should no longer be associated with the *seishin kyoiku*. Greater emphasis should be placed on games and other recreational activities than on pure calisthenics and drill. If former servicemen are employed as drill instructors, or in connection with physical training or sport, they should be carefully screened.

11. Imperial rescripts should not be used as a basis of instruction, study, or ceremonies in schools.

12. Independent thinking on the part of teachers and students should be encouraged.

13. Uniform minimum standards should be prescribed for the different levels of instruction in all the schools of Japan, whether public or private.

#### **Adult Education**

14. Adult education should be promoted rapidly by the use of all suitable facilities such as evening classes, university extension courses, the radio, the cinema, and libraries.

#### **Vocational Education**

15. Japanese youth should be provided with opportunities for varied vocational training and guidance and appropriate organizations for this purpose.

#### **Educational Administration and Finance**

16. The Japanese Government should seek advice from representatives of all walks of life either through a non-official advisory council or otherwise.

17. The Japanese Government should exercise such control over the education system as will ensure the achievement of the objectives of the occupation, particularly the reforms called for by this policy decision. Subject to the foregoing, and to maintenance of standards prescribed by the Government, the responsibility for the local administration of educational establishments should in due time be decentralized. Japanese

parents and citizens should be encouraged to feel a sense of individual responsibility for the achievements of the objectives set out in paragraph 1. Where practicable they should be associated with the control, development, and work of the schools and other educational institutions.

18. The plans enumerated in this paper should be closely correlated with the reforms in the social, economic and political life of the nation. In the implementation of the educational policies outlined above, funds should be allocated for all essential educational reform commensurate with the needs and resources of the nation.

19. In order that educational standards in poor districts should not be lowered by the inability of some local bodies to provide sufficient finance from local revenue, finance for education should come for the most part from the national government, which should be responsible for the maintenance of an adequate level of education throughout Japan. Local and private bodies should be encouraged to supplement these funds provided by the national government.

#### **General**

20. Free and compulsory education should be provided for all Japanese children for a minimum period of six years and should be extended to higher age groups as rapidly as possible.

21. More opportunities should be provided for higher education.

22. Equal opportunity for both sexes should be provided at all levels of education—primary, secondary, and tertiary.

23. Encouragement should be given to the formation and reorientation of educational associations, parent-teacher associations; and to assist in making the Japanese people aware of the significant changes in the direction of education in a democratic Japan, such groups should be encouraged to consider practical problems of education.

24. Discrimination against the graduates of private schools in civil service appointments should be eliminated, provided the schools in question conform to educational standards laid down for the public educational system.

25. Educational institutions of foreign foundation in Japan have played a useful part in the past in widening and deepening the scope of Japanese education, and should be given equal rights to those of Japanese institutions in future.

## U.S. DELEGATION TO TIN STUDY GROUP

[Released to the press April 16]

A United States Delegation met in Brussels April 15-18 to participate in forming an International Tin Study Group.

It was agreed at the World Tin Conference convened at London in October 1946 that such a study group was needed in order to maintain continuous intergovernmental review of the world tin situation. The governments of the following countries were represented at London and have formally agreed to participate in a Tin Study Group: Belgium, Bolivia, China, France, the Netherlands, Siam, the United Kingdom, and the United States.

The members of the United States Delegation were as follows:

### *Delegate*

Donald D. Kennedy, Chief, International Resources Division, Office of International Trade Policy, Department of State

### *Advisers*

Karl L. Anderson, Assistant Chief, International Resources Division, Office of International Trade Policy, Department of State

H. C. Bugbee, Attaché, American Embassy, London

John J. Croston, Deputy Director, Metals and Minerals Division, Civilian Production, Office of Temporary Controls

Carl Hgenfritz, Vice President, Purchases, United States Steel Corporation, Wilmington, Delaware

Charles W. Merrill, Chief, Metal Economics Division, Bureau of Mines, Department of the Interior

## U.S. DELEGATION TO PREPARATORY WORLD CONFERENCE ON PASSPORTS

[Released to the press April 14]

A United States Delegation is attending a preparatory meeting in Geneva, Switzerland, which opened on April 14, on a projected World Conference on Passports and Frontier Formalities, the Department of State announced on April 14.

The Delegation is as follows:

### *Delegate*

George Tait, Counselor of Embassy, London

### *Advisers*

John H. Madonne, Consul, Bern, Switzerland

Herbert A. Wilkinson, Office of International Trade, Department of Commerce

Ernest E. Salisbury, Immigration and Nationalization Service, Department of Justice

James H. Mann, U.S. Treasury Representative, Bern, Switzerland

Donald J. McGrew, U.S. Treasury Representative, Bern, Switzerland

Robert P. Terrill, Division of International Resources, Department of State

The Transport and Communications Commission of the United Nations Economic and Social Council recommended in May 1946 to the Council that a world conference on passports and frontier formalities be held as soon as possible. The Second Session of the Economic and Social Council (May 1946) and the International Conference of National Tourist Organizations (October 1946) passed resolutions recommending the convening of a conference of experts to prepare for this world conference. At its Third Session (September-October 1946), the Council requested the Secretary-General to prepare an agenda for the meeting of experts.

The meeting will make recommendations regarding a world conference for the simplification of documents and formalities which have developed since World War I in connection with non-immigrant travel. The experts will consider recommendations of the Provisional International Civil Aviation Organization, the International Conference of National Tourist Organizations, and the International Chamber of Commerce.

The agenda is expected to include such items as: compulsory passport requirement, simplification of passport systems, duration and extent of validity of passports, cost, formalities for obtaining passports, visa requirements, control of exchange at frontiers, health and immigration requirements, and customs inspection.

## U.S. DELEGATION TO PREPARATORY COMMISSION OF IRO

[Released to the press April 15]

The Acting Secretary of State announced on April 15 that George L. Warren, designated by the President as United States Representative on the Preparatory Commission of the International Refugee Organization, together with William O. Hall and David Persinger of the Department of State as Advisers, will constitute the United States Delegation to the Second Part of the First Meeting of the Preparatory Commission of the IRO scheduled to meet at Lausanne, Switzerland, on May 1, 1947.

In December 1946 the General Assembly of the United Nations approved, and the Secretary-General

eral opened for signature, the constitution of the IRO. The First Part of the First Session of the Preparatory Commission was held at Geneva, Switzerland, on February 11-12, 1947.

The IRO is designed to assist about 850,000 refugees and displaced persons either to return to their countries of origin or to find new homes elsewhere. The United States, besides having signed the constitution of the IRO, is also a signatory to the agreement establishing the Preparatory Commission and therefore a member of the commission.

The agenda for the Second Part of the First Meeting of the Commission includes problems relating to the constitution of the International Refugee Organization as well as the Organization's program for the first year.

#### **AMERICAN DELEGATION TO INTERNATIONAL RADIO CONFERENCE**

[Released to the press April 16]

The Department of State announced on April 16 that there will be convened at Atlantic City on May 15, 1947, an International Radio Conference, which will be attended by almost all the governments of the world. Its objective will be a complete revision of the existing international General Radio Regulations adopted at Cairo in April 1938. At the same place on July 1, 1947, an International Plenipotentiary Telecommunications Conference will be convened for the purpose of revising the international telecommunication convention which was adopted at Madrid in 1932. Following the International Radio Conference, there will be held in Atlantic City an International High Frequency Broadcasting Conference to settle outstanding questions in the field of world short-wave broadcasting. These three conferences are being convened by the Government of the United States in view of the extreme urgency of resolving many telecommunications problems resulting from the dislocations of the war and the rapid wartime advancements in the telecommunications art.

The President appointed on April 16 the chairmen of the three American Delegations which will represent the United States at these conferences:

#### *For the International Radio Conference:*

Charles R. Denny, Jr., Chairman of the Federal Communications Commission

#### *For the International Plenipotentiary Telecommunications Conference:*

Garrison Norton, Assistant Secretary of State for transport and communications

#### *For the International High Frequency Broadcasting Conference:*

William Benton, Assistant Secretary of State for public affairs

The vice chairmen of these three conferences will be named at a later date.

#### **MILTON EISENHOWER NAMED U.S. MEMBER ON UNESCO EXECUTIVE BOARD**

Milton Eisenhower, president of Kansas State College, has been named United States Member of the Executive Board of UNESCO, the Department of State was informed on April 15.

Mr. Eisenhower, brother of Gen. Dwight D. Eisenhower and chairman of the United States National Commission for UNESCO, was elected unanimously by the Executive Board meeting in Paris. He succeeds Archibald MacLeish, who resigned from the Board on April 14 because of the press of personal affairs.

Mr. Eisenhower will succeed Mr. MacLeish on May 1 on the UNESCO Executive Board in Paris.

#### **ITALY, SYRIA, AND LEBANON SIGN ARTICLES OF AGREEMENT OF BANK AND FUND**

The articles of agreement of the International Monetary Fund and the articles of agreement of the International Bank for Reconstruction and Development (Bretton Woods agreements) were signed and accepted by Italy on March 27, 1947, and by Syria on April 10, 1947, and were accepted by Lebanon on April 11, 1947, and signed by that country on April 14.

The number of countries which have become parties to the agreements has now reached forty-four.

### Control of Exportation and Importation of Arms, Ammunition, and Implements of War

#### THE PRESIDENT'S MESSAGE TO THE CONGRESS

*To the Congress of the United States:*

I transmit herewith a proposal for legislation to authorize supervision of the exportation of arms, ammunition, implements of war and related commodities, and the importation of arms, ammunition, and implements of war; to provide for the registration, under certain conditions, of manufacturers, exporters, importers, and certain dealers in munitions of war; and to provide for obtaining more adequate information concerning the international traffic in arms.<sup>1</sup> The principal purpose of this proposal is to supersede the present provisions of law in Section 12 of the Neutrality Act of November 4, 1939. For the reasons outlined below it is believed that the Congress will agree that this section of the present law is particularly ineffective in dealing with current problems and that the Congress will wish to take prompt action to enact a new law along the lines proposed herein.

Section 12 of the Neutrality Act provides for: the establishment of a National Munitions Control Board; the administration of the provisions of that section by the Secretary of State; the registration of those engaged in the business of manufacturing, importing or exporting arms, ammunition, and implements of war; the conditions under which export and import licenses may be issued; the reports which the National Munitions Control Board shall make to the Congress; and the determination by the President of what articles shall be considered arms, ammunition, and imple-

ments of war. Reports of the activities carried on by the Department of State pursuant to Section 12 for the years 1941 to 1946, inclusive, have been submitted to assist the Congress in its consideration of the legislation now suggested. Operations prior to 1941 are contained in the first to sixth Annual Reports of the National Munitions Control Board.

The proposed legislation contemplates continuing certain of the essential aspects of Section 12 of the Neutrality Act, particularly those pertaining to the administrative framework of the controls now exercised. However, it is different in its objective and it proposes a more flexible and efficient administration.

The present system of supervising this country's international traffic and trade in arms and munitions of war was conceived during a period of neutrality and with the view to remaining out of war. To achieve this end the successive Neutrality Acts of 1935, 1937, and 1939 were founded on the principle of impartiality toward all who would secure munitions from us regardless of their motives. As long as Section 12 of the Neutrality Act is in effect that requirement of impartiality is still the law and the Secretary of State must treat aggressor and aggrieved, peacemaker and troublemaker equally by granting every application for a license for the exportation of any arms, ammunition, or implements of war unless such action would be in violation of a treaty. *Such a provision of law is no longer consistent with this country's commitments and requirements. We*

<sup>1</sup> For a report to the President from the National Munitions Control Board, see H. Doc. 195, 80th Cong.

*have committed ourselves to international cooperation through the United Nations. If this participation is to be fully effective this Government must have control over traffic in weapons which will permit us to act in accordance with our position in the United Nations and will be adaptable to changes in the international situation.* Therefore, there must be new legal provisions enabling the exercise of discretion in the granting or rejecting of applications for export or import licenses for arms, ammunition, and implements of war and related items.

Weapons and implements of war are material weights in the balances of peace or war and we should not be legally bound to be indiscriminate in how they are placed in the scales. If war should ever again become imminent, it would be intolerable to find ourselves in our present position of being bound by our own legislation to give aid and support to any power which might later attack us. The proposed legislation is designed to permit in normal times of peace control over traffic in arms or other articles used to supply, directly or indirectly, a foreign military establishment, and in times of international crisis, to permit control over any article the export of which would affect the security interests of the United States.

The exercise of discretion necessarily requires a revision of the administration of the controls presently in operation. The suggested legislation provides for the exercise of discretion in the types of licenses which may be used, and in determining the activities which may be subject to registration. The new proposal differs from Section 12 in as much as it permits the issuance of various types of licenses designed to take into account under what circumstances and in what quantities the export of the articles covered by the proposed bill should be subject to control. The purpose of this procedure is to permit freedom of trade in items of a purely commercial nature.

With regard to the registration requirements it should be noted that under the present law anyone engaged in manufacturing, exporting or importing any of the articles defined as arms, ammunition or implements of war must register with the Secretary of State, whether the item handled by that person is a battleship or merely a .38 caliber pistol. Under the new proposal the President upon recommendation of the National Munitions Control Board may determine when the manu-

facture, exportation or importation of any designated arms, ammunition, and implements of war shall require registration. This will mean that consideration may be given to the relative military significance of the item handled.

Another important change provides for obtaining fuller information which will be made available to the Congress in the reports of the National Munitions Control Board. With a number of agencies of this Government actively concerned with the disposal of arms and related items, the proposed legislation will allow for the amalgamation of all such information into one comprehensive report.

In addition to the foregoing, the proposed legislation differs from Section 12 of the Neutrality Act by providing export controls over two additional categories; namely, (1) articles especially designed for or customarily used only in the manufacture of arms, ammunition and implements of war and (2) articles exported for use, directly or indirectly, by a foreign military establishment.

With regard to item (1) it is certainly unsound to endeavor to regulate traffic in arms and ammunition and permit a free flow of the special machinery and tools used in the production of those arms and ammunition. In the absence of such a provision those countries from whom munitions are withheld would soon seek and obtain the equipment with which to supply themselves.

In the interest of world peace articles supplying a foreign military establishment cannot be left free from Government supervision so far as exports are concerned. Prior to the last war there were no provisions for controlling articles supplying foreign military establishments. This condition must not be allowed to recur. The proposed legislation is consistent with the international trade policies I outlined a short time ago at Waco, Texas. It is designed to protect the security interests and to carry out the foreign policy of the United States.

There is one other aspect of the suggested legislation which warrants comment. At present there is no provision for supervising the activities of those persons who do not manufacture, import or export arms, ammunition, and implements of war, but who, as free agents, buy or sell these items for export, or who obtain commissions or fees on contracts for manufacture or exportation of such items. These brokers assume none of the respon-

sibilities of this important traffic, yet they promote it, often irresponsibly, and need only concern themselves with the profits to be found in the trade. It is scarcely fair to those who have the responsibility of carrying on what experience has shown to be a legitimate business, that such people should not be subject to regulation.

The international traffic in munitions and related items is a matter of major concern to us and to the other nations of the world. By such legislation as is now proposed for consideration by the Congress, the Government would be given powers essential for the safeguarding of its security interests in this international trade.

HARRY S. TRUMAN

THE WHITE HOUSE,

April 15, 1947.

*The text of the proposed legislation submitted by the President with his message to the Congress follows*

#### DRAFT OF A BILL

To control the exportation and importation of arms, ammunition, and implements of war, and related items, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress Assembled:*

SEC. 1. That there is hereby established a National Munitions Control Board (hereinafter referred to as the "Board"). The Board shall consist of the Secretary of State, who shall be chairman and executive officer of the Board, the Secretary of War, the Secretary of the Navy, and the Secretary of Commerce.

SEC. 2. Except as otherwise provided in this Act, the Administration of this Act is vested in the Secretary of State. The Secretary of State shall make such rules and regulations with regard to the enforcement of this Act as he may deem necessary to carry out its provisions; but the regulations, issued on June 2, 1942, by the Secretary of State (7 F.R. 4216; Title 22, Chapter II, Subchapter D of the Code of Federal Regulations) governing registration and licensing under section 12 of the joint resolution of Congress approved November 4, 1939, shall, until amended or revoked by the Secretary of State, have full force and effect as if issued under the authority of this Act.

SEC. 3. The President is hereby authorized to designate from time to time, upon the recommendation of the Board, such of the following as he determines must be subject to the export licensing requirements of section 4 of this Act in order to protect the security interests or carry out the foreign policy of the United States:

(a) Arms, ammunition, and implements of war and articles especially designed for, or customarily used only in, the manufacture of arms, ammunition, or implements of war.

(b) Articles which he determines are being, or are proposed to be, exported for use directly or indirectly by a foreign military establishment.

(c) In time of war or in the event of an emergency in international relations declared by Congress or declared in the manner now or hereafter authorized by law, any article the export of which would affect the security interests of the United States.

SEC. 4. (a) Without first having obtained a license therefor it shall be unlawful for any person to export, or attempt to export, from the United States to any other country any articles designated by the President under the authority of section 3 of this Act.

(b) The Secretary of State shall issue such licenses unless he determines that the proposed export would not be in accord with the foreign policy or the security interests of the United States and with the standards set forth in section 3 of this Act. Such licenses may be either general or specific. The Secretary of State is authorized to revoke any license under the same standards as govern the issuance of such license. A valid license issued under the authority of section 12 of the joint resolution of Congress approved November 4, 1939, shall be considered to be a valid license issued under this section, and shall remain valid, unless specifically cancelled or revoked by the Secretary of State, for the same period as if this Act had not been enacted.

(c) The Secretary of State shall develop such procedures for disseminating information as to the licensing policies to be followed under this section as he may deem necessary to enable manufacturers and exporters of articles designated under section 3 of this Act to plan legitimate commercial transactions, but he shall not be required to disclose any

information if in his opinion such disclosure would be contrary to the national security.

(d) In formulating the policies governing the licensing authority granted in this section, the Secretary of State shall act after consultation with the Board.

#### CONTROL OF IMPORTS

SEC. 5. The President is hereby authorized to designate from time to time, upon recommendation of the Board, those arms, ammunition, and implements of war which he determines must be subject to the import licensing requirements of section 6 of this Act in order to protect the security interest or carry out the foreign policy of the United States.

SEC. 6. (a) Without first having obtained a license therefor it shall be unlawful for any person to import, or attempt to import, into the United States from any other country any arms, ammunition, or implements of war designated by the President under the authority of section 5 of this Act.

(b) The Secretary of State shall issue such licenses unless he determines that the proposed import would not be in accord with the foreign policy or the security interests of the United States and with the standards set forth in section 5 of this Act. Such licenses may be either general or specific. The Secretary of State is authorized to revoke any license under the same standards as govern the issuance of such license. A valid license issued under the authority of section 12 of the joint resolution of Congress approved November 4, 1939, shall be considered to be a valid license issued under this section and shall remain valid, unless specifically cancelled or revoked by the Secretary of State, for the same period as if this Act had not been enacted.

(c) In formulating the policies governing the licensing authority granted in this section the Secretary of State shall act after consultation with the Board.

#### REGISTRATION

SEC. 7. The President is hereby authorized to designate from time to time, upon the recommendation of the Board, those arms, ammunition and implements of war the manufacture, exportation or importation of which he determines must be subject to the registration requirements of sections

8 and 9 of this Act in order to protect the security interests or carry out the foreign policy of the United States.

SEC. 8. (a) Every person who engages in the business of manufacturing, exporting, or importing any arms, ammunition, or implements of war designated by the President under the authority of section 7 of this Act, shall register with the Secretary of State, his name or business name, principal place or places of business in the United States and in any foreign country, the names of his agents or sales representatives in any foreign country, a list of the arms, ammunition, and implements of war manufactured, exported, or imported by him and such other pertinent information as the Secretary of State may prescribe in the regulations issued under the authority of section 2 of this Act. Every person required to register under this section shall notify the Secretary of State of any change in the information required under this section.

(b) Every person required to register under the provisions of section 8 (a) of this Act shall pay a registration fee of \$100. Upon receipt of the information required under the provisions of section 8 (a), and of the registration fee, the Secretary of State shall issue to such person a registration certificate valid for five years, which shall be renewable for further periods of five years upon the payment for each renewal of a fee of \$100; but certificates of registration issued under the authority of section 12 of the joint resolution of Congress approved November 4, 1939, shall, without payment of any additional fee, be considered to be valid certificates of registration under this Act and shall remain valid for the same period as if this Act had not been enacted.

(c) Any person, who, having registered under the provisions of section 8 (a), ceases to engage in the business of manufacturing, exporting, or importing arms, ammunition, or implements of war, may so notify the Secretary of State, and upon surrender of his certificate of registration there shall be refunded to him the sum of \$20 for each full year remaining in the period of validity of his certificate.

(d) All persons required to register under section 8 (a) shall maintain, subject to the inspection of the Secretary of State, or any person or persons designated by him, such permanent records of transactions pertaining to the manufacture, export-



tation or importation of arms, ammunition, or implements of war as the Secretary of State shall prescribe by regulations issued pursuant to the authority of section 2 of this Act.

SEC. 9. (a) Every person not required to register under the provisions of section 8 (a), who is engaged or engages in buying or selling for export or import or offering to buy or sell for export or import any arms, ammunition, or implements of war, the manufacture of which requires registration under the provisions of section 8 (a) or for the export or import of which a license is required under the provisions of sections 4 (a) or 6 (a), shall register with the Secretary of State his name or business name and his place or places of business and such other information concerning his business as may be required by regulations issued by the Secretary of State under the authority of section 2. The provisions of this section shall not apply to the representatives, agents, officers or employees of persons required to register under section 8 (a) while acting as such representatives, agents, officers or employees.

(b) Every person required to register under the provisions of section 9 (a) shall pay a registration fee of \$100. Upon receipt of the information required in section 9 (a) and of the fee, the Secretary of State shall register such person. Such registration shall be valid for five years, and shall be renewable for further periods of five years upon the payment for each renewal of a fee of \$100.

(c) All persons required to register under section 9 (a) shall maintain, subject to the inspection of the Secretary of State, or any person or persons designated by him, such permanent records of the activities which require their registration as the Secretary of State shall prescribe by regulations issued pursuant to the authority of section 2 of this Act.

#### GENERAL

SEC. 10. The Board shall make a report to Congress on March 1 of each year, copies of which shall be distributed as are other reports transmitted to Congress. Such reports shall contain such information and data collected by the Board as may be considered of value in the determination of questions connected with the control of the trade in arms, ammunition, and implements of war, and other articles to which this Act relates. The Board shall include in such reports a list of

all persons registered under the provisions of this Act, full information concerning the licenses issued hereunder, and such other information as the President may from time to time direct any officer, executive department, or independent establishment of the Government to furnish the Board; but the Board may omit any information the revelation of which it may deem contrary to the interest of the national defense or security.

SEC. 11. (a) In every case of the violation of any of the provisions of this Act or of any rules or regulations issued pursuant thereto such violator or violators, upon conviction, shall be fined not more than \$10,000.00 or imprisoned not more than two years, or both.

(b) Any arms, ammunition, or implements of war, or other articles, exported or imported or the export or import of which is attempted in violation of the provisions of this Act shall be subject to seizure and forfeiture in accordance with the provisions of sections 1 to 8, inclusive, of Title VI of the Espionage Act of June 15, 1917 as amended (22 U. S. C. A. Secs. 401-408).

(c) In the case of the forfeiture of any arms, ammunition, or implements of war by reason of a violation of this Act, no such arms, ammunition, or implements of war shall be sold but they shall be delivered to the Secretary of War; and the Secretary of War may order the forfeited articles destroyed or may retain them for the use of the armed forces of the United States.

SEC. 12. For the purposes of this Act, the term "United States" includes the several States and Territories, the insular possessions of the United States, the Canal Zone, and the District of Columbia; the term "person" includes a partnership, company, association, or corporation, as well as a natural person.

SEC. 13. If any of the provisions of this Act, or the application thereof to any person or circumstance, is held invalid, the remainder of the Act and the application of such provision to other persons or circumstances shall not be affected thereby.

SEC. 14. Section 12 of the joint resolution of Congress approved November 4, 1939 (54 Stat. 10; 22 U.S.C. 452) and Senate Joint Resolution 124 of January 26, 1942 (Public Law 414, 77th Cong., 56 Stat. 19) are hereby repealed; but offenses committed and penalties or liabilities in-

*(Continued on page 764)*

## Post-UNRRA Relief Program

### STATEMENT BY ACTING SECRETARY ACHESON<sup>1</sup>

On February 21, 1947, the President recommended that the Congress authorize the appropriation of 350 million dollars to assist in completing the task of bringing relief to the people of the liberated countries. This is a matter of the greatest urgency. We are coming perilously close to the day when, if we do not procure and ship food to certain of these countries, the pipe lines will be broken, and even the present meager rations will not be able to be maintained. For example, after April 30 no food shipments are in sight for Austria except as the Army may be able to divert some from its program for Germany or other occupied areas, and for Greece only two shiploads—the last arranged for through UNRRA—are available. Other countries are only slightly better off.

Great progress has been made by the devastated countries in their struggle to return to a normal life. We can be justly proud of the part which we have played in helping to keep these people alive and in giving them the strength to rebuild their shattered economies. Yet the task is not quite finished. A few of the liberated countries are not yet able to stand alone without outside assistance. If we do not help in the completion of the relatively small part of the task still remaining, much of the work already done will have been fruitless.

The General Assembly of the United Nations on December 11, 1946, passed a resolution which recommended that post-UNRRA relief needs be met through direct arrangements between the individual contributing countries and the recipient countries. The resolution urged all members to assist in meeting those needs, recommended informal consultation among members of the United Nations to coordinate their respective relief programs, and established a Technical Committee to analyze relief needs for 1947 following the termination of UNRRA shipments. This plan was urged by the United States as being more efficient and better suited to handle the remaining prob-

lem than a continuation of UNRRA or some other United Nations operating body. We have cooperated fully in the work of the Technical Committee and in consultations with other members which have been arranged by the United Nations Secretariat.

During the past several months we have made careful studies as to the extent of relief needs, utilizing the information and experience of the various Departments of the Government and of our Missions abroad. Extensive on-the-spot surveys have been made by personnel of these Missions and we are constantly receiving up-to-date information concerning economic and agricultural developments in these countries. We have fully considered the findings of the United Nations Technical Committee, although in some respects our conclusions differ from theirs. Our calculations and those of the Technical Committee both cover needs for the calendar year 1947, making allowance for UNRRA shipments in the early part of the year.

Our studies indicate that the total needs for basic relief in 1947, following the termination of UNRRA shipments, amount to approximately 600 million dollars. Austria, Greece, Hungary, Italy, and Poland are the countries which appear to need assistance, and China will probably have emergency needs for food imports to prevent suffering and starvation in certain areas. These studies are being kept under continuous review.

Other countries which have heretofore been receiving assistance from UNRRA will not, according to our calculations, require further relief. The relief needs have been calculated on a minimum basis and include no requirements for rehabilitation or reconstruction. In making our estimates we first determined the essential imports required to supplement the supplies produced locally, in

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<sup>1</sup> Made before the Senate Committee on Foreign Relations on Apr. 15, 1947, and released to the press by that committee on the same date.

order to feed the people at a level of 2,000 to 2,200 calories and to prevent economic retrogression which would threaten the supply of the basic essentials of life. We then deducted from the cost of these minimum imports the total resources available to each country which could be utilized to pay for them, including current earnings of foreign exchange and existing and anticipated foreign loans and credits. The difference represents the extent of the relief need.

I should point out here that the strictly relief aid to Greece which is contemplated under this bill constitutes an indispensable foundation for the other and more extensive program of economic assistance which would be provided under the bill recently reported by this committee for aid to Greece and Turkey. There is no duplication involved in the two. The assistance to Greece included in the other bill involves a program of reconstruction and rehabilitation which can be effectively undertaken only after the basic relief needs have first been met.

The 350 million dollars which is requested represents approximately 58 percent of the estimated total need as compared with our contribution of 72 percent to the resources of UNRRA. Although there are no definite assurances as to the total amount which will be made available by other countries we are hopeful that the additional needs will be met from such sources. The British have promised the equivalent of 40 million dollars for Austria; the Norwegian Parliament has voted 15 million kroner (3 million dollars) for relief in Poland, Finland, Austria, and Greece; and the Danes have stated they plan to contribute about 4 million dollars' worth of relief supplies. It has been reported that the U.S.S.R. is making an advance of gold in the amount of 27.5 million dollars to Poland which, according to the report, can be used at least in part to procure essential supplies included in the minimum Polish import program. We believe that a number of other contributions may be forthcoming when a decision is reached in regard to our own program.

I should like here to emphasize a point which we consider to be of fundamental importance. We believe it would be a mistake to determine finally at this time the total amount we would allocate to any country from our contribution. The relative needs of the various countries should be appraised continuously over the ensuing months

and specific programs approved from time to time in the light of current data. In addition, we do not now have complete information as to the programs of other contributors and we should be in a position to cooperate with them and to adjust our program in the light of their contributions to the various needy countries. If a total amount from our contribution were now announced for each recipient country even on a tentative basis, the people in the country would tend to assume that they had a vested interest or right to this particular amount. This problem has existed in the case of UNRRA where we have found that any attempt to adjust previously announced programs to take account of changing needs has caused resentment and consequent embarrassment.

I should like to state briefly the reasons why we have included Poland in the list of potential recipient countries. This is done solely to be in a position to help in preventing suffering and serious malnutrition to the extent that our assistance is clearly needed for this purpose. We are not proposing a program of reconstruction or aid to the regime in Poland. We have subscribed to the resolution of the General Assembly of the United Nations which states the principle that at no time should relief supplies be used as a political weapon and calls upon all members of the United Nations to assist in the furnishing of relief when needed and where needed. Moreover, it seems to me wholly in keeping with our traditions to furnish relief where needed and, providing we can be sure it will not be misused, to alleviate the sufferings of human beings, whatever our opinion of the government under which they live. Our help would be made available only on the condition that the Government of Poland agrees to the stringent but fair conditions we would lay down for all countries and lives up to these conditions faithfully. These conditions, which I shall discuss in a moment, are calculated to provide adequate assurance that relief aid would reach the people needing it and would not be used to promote the political aims of the Government. Furthermore, the requirements for full publicity in the country would insure that the people would know the American source of the help and would understand its purposes. Thus we would maintain the ties of friendship between our people and the people of Poland and demonstrate to them that we have not forgotten them.

I believe that the resolution being considered by the committee establishes adequate guaranties that relief supplies will be administered under firm American control and that this control will be exercised to the end that the supplies are shipped where they are needed and are used within the receiving countries in a manner consistent with the humanitarian purposes of this resolution. It is provided that the relief to be furnished shall be restricted to food, medical supplies, processed and unprocessed materials for clothing, fuel, fertilizer, pesticides, and seed. All these items are basic essentials of life.

No relief can be made available unless we are assured that the distribution, not only of our supplies but of all similar supplies produced locally or imported from other sources, will be made in each country without discrimination as to race, creed, or political belief. We must also be assured that the recipient country is taking all possible measures necessary to reduce its relief needs and provide for its own rehabilitation.

It must also agree to furnish full reports concerning the production, use, distribution, importation, and exportation of any supplies which affect its relief needs. Representatives of the American press and radio as well as governmental representatives must be permitted to observe fully and report freely regarding the distribution and utilization of the supplies. All such supplies must be used to meet the needs of the population and cannot be exported or used for non-essential purposes. United States representatives must be permitted to supervise the distribution of our supplies.

The government of the country must give us assurance of full publicity within their country as to the character, scope, and progress of our program. If any of these conditions are violated or if for any other reasons it appears inadvisable to continue shipments they shall be stopped immediately.

It is also provided that the Congress, by concurrent resolution, may direct the termination of the program to any country.

The bill authorizes provision of relief in the form of free grants. We do not believe that needy countries should be required to assume debts for consumable relief commodities, such as food, which do not add to productive capacity and thus provide the means for repayment. The countries under consideration for relief are economically

bankrupt. The special case of crisis in Greece has already been examined in detail by the committee. The needs for rehabilitation and reconstruction of the other countries under consideration are such that all of their available resources and foreign exchange will be needed for some time for the purchase of essential imports and for the servicing of reconstruction and rehabilitation loans. Their ability to obtain such loans and the soundness of such loans if made would be greatly impaired if, in their present weakened condition, they had to assume an additional debt burden for relief items. In consulting with other possible contributors we have urged them to provide relief on a free-grant basis. If we were to require repayment I feel sure that other countries would also do so.

If this program is approved we plan to negotiate an agreement with each recipient government. This agreement would include all of the conditions which are specified in the bill and would also cover the following points:

(1) Arrangements under which programs of supplies would be approved by United States representatives;

(2) An outline of the general procedures and controls in regard to the procurement and shipment of supplies;

(3) Provision for an adequate ration and price-control system so that all classes of the population irrespective of purchasing power shall receive their fair share of essential supplies;

(4) Requirement that all local funds accruing from the sale of United States supplies be deposited in a special account to be used only upon approval of the United States for relief and rehabilitation purposes.

After conclusion of such an agreement we would approve from time to time target programs covering the type and amount of commodities which could be procured over, say, a two- or three-month period. The supplies would then be procured either through United States Government agencies or by the recipient government under strict supervision and control. In the latter case funds would be released in the form of credits subject to the control of the President, only in the amounts needed to meet contract obligations as they accrue.

Under the over-all direction of a supervisor of

*(Continued on page 766)*

## Our Domestic Economy and Foreign Affairs

BY ASSISTANT SECRETARY THORP<sup>1</sup>

It is worthy of some note that the Congress of the United States has spent more time and energy on foreign affairs since it assembled three months ago than on domestic matters. The *Congressional Record* is full of speeches on this or that phase of foreign relations. The humanitarian angle appears in relief and refugee legislation; the economic angle in sugar and rubber legislation and in the extension of the war powers for export and import controls; the political angle in the four peace treaties now before the Senate; the security angle in the discussions of the atom bomb. And there are triangular or multi-angular items such as the Greek and Turkish programs, temporary adjustments in immigration quotas, and the foreign information program. There is no sense in speaking today of isolation. It never did exist, and it never can.

This is very clearly the case in the economic field. Our economic life is thoroughly entangled with the rest of the world. We seldom realize that fact, any more than New Yorkers think about their dependence on New England or California, but the world has grown smaller and smaller and the economic independence of any individual or area has grown less and less. Today the best word to describe this situation is not independence, nor dependence, but interdependence—that is, dependence both ways.

Let us start with the most obvious relationship—our dependence upon other countries for certain products. Last year we imported 5.2 billion dollars worth of commodities from abroad and the estimate for 1947 is 6.7 billion dollars. The greater part of these tremendous totals either was not available here or could have been obtained or produced here only at much greater cost. Some items need a different climate—coffee, rubber, bananas, and chocolate, for example, all come to this

country by boat. The lac bug which is responsible for our shellac seems to thrive only in India and Siam. Nor were minerals located on this globe in some earlier geologic age with an adequate consideration for the future requirements of the United States of America. Consequently, our tin, diamonds, and nickel, for example, must come from abroad. In some few instances, the technologists have been able to reduce our dependence on other areas by developing new products and processes such as synthetic rubber and the fixation of nitrogen. But in other fields, our dependence on foreign sources is increasing rapidly—a tendency accelerated by the great demands placed by the war upon our natural resources. Perhaps the extreme illustration is lead, which we regularly exported before the war, and which must now be imported in substantial quantities to meet our domestic requirements. In fact, a number of our bottlenecks in production at present can be traced to our dependence upon foreign resources and the failure of foreign supplying enterprises, for one reason or another, to operate at full production.

Our foreign relations also involve the flow of commodities in the other direction. Over the years, a segment of our national plant and equipment has been created in order to sell to foreign markets. Our electric refrigerators, our flashlights, our rubber tires, and our cotton go all over the world. At the moment, we have an unsatisfied domestic market in many items, but cotton would not be selling at 35 cents per pound if we had not sent millions of bales to foreign countries, largely through UNRRA and Export-Import Bank credits.

It is obvious that the flow of goods in and out of this country is a big industry in itself, requiring transportation, insurance, financing, and other services. And any serious failure to maintain this flow would put some millions of American businessmen, farmers, and workers out of business.

There is another important type of economic link, and that is in the field of ownership and finance. Americans own factories abroad. Our

<sup>1</sup> An address delivered before the Economic Club of New York in New York City on Apr. 16, 1947, and released to the press on the same date. Willard L. Thorp is Assistant Secretary of State for economic affairs.

private and public extension of credit has made us a great creditor nation. Some of our recent Government assistance has gone out as an outright gift—but much of it has been in the form of credits. Private investments carried over from before the war bulk exceedingly large. As owners and creditors we have a very real and tangible stake in other economies.

Furthermore our economy is tied to other economies in the process of economic operation itself. Commodity prices, for example, are not insulated from foreign influences. It is not necessary for there to be a major flow of a commodity from one country to another to affect prices—the fact that it can flow is enough to keep prices in a rough sort of relationship. And financial operations are even more sensitive. International finance has always transmitted strains and stresses from one country to another with great rapidity, although various steps taken in recent years to reinforce credit structures have provided some degree of protective insulation.

Perhaps the best demonstration of this matter of international economic relationship is provided by the record of business activity in various countries in the past. More than a century ago there were clear evidences of the international character of cycles of business conditions. The boom of 1815 and the sharp collapse thereafter appear in the records of France, Great Britain, and the United States. The same end to a prosperity period appeared in many countries in 1837, 1847, 1857, 1873, and in 1882. And in more recent years, the international synchronization of the rhythm has become increasingly clear cut, except when wars have thrown various countries out of step temporarily. The year 1890 was a crisis year everywhere, and so were 1900, 1907, 1913, 1920, and 1929. The record is clear that no major trading country has been able to isolate itself for long from the effects of business conditions in other countries.

I could continue to develop this line of argument, but I doubt if much persuasion is needed on the general point that our domestic economy is affected by foreign economic affairs. But this poses a most difficult question for American foreign economic policy. The difficulty is created by the fact that so much of the world is in terrible shape. For great areas of the world the present level of economic activity is tragically low. Not enough

men are working. Not enough goods are being produced. Whole industries and trading areas suffer from economic paralysis.

We in this country have difficulty in fully appreciating the situation in other countries because the United States is above the pre-war level in economic activity. We are breaking production and employment records. But we are very much the exception. In some parts of the world, industrial and agricultural activity is not more than half the pre-war level. Hunger and starvation are the present threats to existence rather than bullets and bombs.

This wide contrast has implications for us from many angles. At the moment, we may feel competent and confident in our prosperity. But we cannot escape from the lines of international contact which I outlined earlier. The depressed condition of so many other countries offers us either the opportunity to maintain our prosperity as they recover, or the threat of depression if they slide into chaos. I do not wish to imply that economic conditions in this country are entirely dominated by foreign influences. I am sure that we are able to slide into depression without outside aid. But I do say that the economic state of the rest of the world is a major influence on business conditions here.

The low level of activity in so many other countries is due to a number of causes which presumably do not need elaboration. Global war, by definition, means not merely the effort to destroy the military forces of the enemy. It means, also, the effort to undercut the effectiveness of the enemy's military operation by disrupting and destroying the economic life which supports the enemy. Such methods of warfare proved to be so thoroughly effective that the heritage of the war in nearly all European countries is not merely the simple effects of conversion to war and undermaintenance during the war but the disastrous total loss of significant elements in the economy itself. Transportation facilities and strategic factories were favorite targets. The estimates of damage from destruction and looting run to more than one half the industrial wealth in those countries which suffered most.

The problem is not merely one of physical equipment, of fixed capital. It also involves the effects of the war on manpower, the eradication and displacement of skilled labor and management, the

disruption of usual channels of distribution, and the disappearance of many facilitating services. The process of recovery involves the reconstruction and reorganization of a thousand and one elements, all of which must work together smoothly to enable a nation to function as a going concern.

And even this is not the full total of the problem of these countries. Going beyond the direct elements or factors of production, there is the need for liquid financial resources, a necessary part of modern economic life. Enterprises must have working capital as well as fixed capital. As a natural corollary, nations must have foreign exchange. And this in turn affects their fiscal situation. Both foreign exchange and internal currencies must provide some assurance of stability. Until this stability is within sight, working capital will be reluctant to come out of hiding. It also means that part of the scarce and much-needed supplies of goods will be hoarded, such as food on the farms. They will move to market only if goods are available for purchase, or currency provides a secure medium for holding purchasing power for future use.

There is a third element in the problem which interferes with the efforts of these countries to cope with physical reconstruction and a virtually broken-down financial machine. This additional deterrent to recovery is political instability, which weakens the nations' framework of law and order, thus laying open the economic processes to piracy, theft, corruption, and special privilege.

Political instability assumes many forms in this post-war period. In those areas of the world where native populations have achieved a new and uncertain independence, the young unseasoned governments have not yet established any firm pattern of new policy. Many of these areas and countries are important to the world economy as sources of raw materials. The present uncertainties concerning their probable political behavior create a risk which stands in the way of immediate economic investment and development. Elsewhere, within mature countries, a struggle for power is going on with the result that, whatever governments may have formal authority, their coalition character greatly limits the extent to which they can take effective action without losing the support of some of the elements necessary to maintain their authority. Even a strong government would hesitate before taking an unpopular

measure like reducing the food ration or greatly increasing taxes. Where governments are weak, it is not surprising that they are prone to temporize rather than to take drastic action.

These many difficulties, particularly those in the economic field, have led countries to take whatever kinds of extraordinary measures the traffic, measured in votes, will bear. These vary from the operation of internal relief programs to the taking over of sections of industry for direct governmental control through the process of nationalization. Unusual fiscal measures are seized upon in the effort to prevent runaway inflation; and in the field of foreign economic relationships most countries are now exercising controls through quota systems over the type of goods to be moved, and through foreign exchange control over the process of international payments.

These various steps should not be regarded as some hidden conspiracy against the business community or even against the principles of freedom of enterprise. To a large extent, they are the inevitable consequences of the present state of the world and, more particularly, of the countries where the distress is greatest. When we in the United States had a major economic job to do in producing the goods needed for the war, we found it necessary to establish many of these same types of control; and the foreign countries today have a much more difficult task to utilize the limited resources available to them to the full.

It is inevitable that many of these controls should be essentially restrictive. They arise because of the necessity for allocation to the most essential use of some short facility or material. But this leads to a basic difficulty. If a number of countries all adopt restrictive devices, trade among them is established at a minimum. In fact, it must then be carried on by the painful procedure of bilateral barter agreements under which arrangements are made for the exchange of specific quantities of specific goods. Obviously, such a way of carrying on trade is certain to fail to uncover most of the opportunities for working out transactions in the interest of all concerned. And it makes all trade dependent upon arrangements made by governments rather than by businessmen.

Up to now, I have pointed out that the world is in a critical economic state and that the result of this necessarily has been a wide extension of government controls and restrictive devices. A



third proposition which I am sure needs only to be suggested is that there is no single grand action which can resolve these difficulties, no one neat remedy for the world's economic ills. The domestic rate of production, the volume of foreign exports, the volume of foreign imports, the convertibility of foreign exchange, the stability of domestic currency, the extent of reconstruction and rehabilitation, the level of employment, and the standard of living, or perhaps I should say, of survival, are all completely intertwined with each other. Economists have sometimes tried to picture the operation of the economic system in terms of a series of complicated simultaneous equations. In mathematical terms, none of the elements which I have been describing is an independent variable. It follows necessarily from this basic fact that any program to deal with the situation must contain a number of elements. And failure to act in any area provides a brake on the possibility of progress in the others.

I shall not endeavor today to outline the efforts made by the United States Government with relation to each of the variables in the international economic picture. Obviously, we cannot bring about recovery in any of these countries. All we can do is to help create conditions which make it possible for the people of these countries, by their own efforts, to get the economic machine into operation again. We can provide gasoline and spare parts and perhaps a road map. We have provided goods and financial support to many countries through the very extensive relief and rehabilitation program carried out by UNRRA. After UNRRA halts its operations we intend to continue the job through a further relief program.

But relief is obviously a stopgap, although a completely necessary one. The long-run program requires reconstruction, currency stability, and the revival of trade. As to the first two, we have already given much direct assistance. We have made surplus goods, including ships, available to foreign governments on credit terms. We have made extensive loans, some calculated with reference to specific reconstruction programs like the French loan, and some to ease a balance-of-payments deficit and permit the relaxation of foreign exchange controls, like the British loan. We have been the chief sponsor and contributor in the creation of two important international institutions—the International Bank to deal with reconstruction and

development credits, and the International Monetary Fund to work for stable and convertible currencies. However, I wish to speak particularly of the problem in the field of trade because of its vital importance to our economy.

In the period before the war, interferences with trade were clearly on the increase. The world depression had thrown trade out of balance, and restrictions on imports were used by various countries to prevent any drain on the assets needed to back their various currencies. Furthermore, it was a period when forces of aggression were leading countries to adopt nationalist economic programs, and many nations were endeavoring to reduce their dependence upon foreign sources of goods and materials. Trade barriers rose rapidly.

The present picture is far worse. Much of the world's trade today is carried on within a framework of specific quota restrictions. These obviously are likely to be much more harmful than tariffs. Quotas are absolute and under no circumstances can trade expand beyond their rigid limits. Tariffs do impose a hurdle but it is always possible for goods to flow over a tariff barrier if there is a sufficient need for them.

Quota systems carry with them another type of limitation not found in tariffs and that is that quotas necessarily imply allocation. A quota means that less can be imported than would move in a free market. But how will the reduction be made? By the government issuing specific licenses for specific imports. This means that the trade relationship of the quota-establishing country with each other country becomes a matter of separate negotiation, controversy, and pressure. Thus a tremendous amount of specific government interference arises and the individual businessman is helpless in the face of decisions made by his and by foreign governments.

It is against this background that the United States put forward the proposal that an international trade organization should be established as one of the essential institutions of the United Nations and that a fundamental purpose of the organization should be to find ways and means of reducing barriers to trade. Here in this country we went so far as to develop, through an interdepartmental committee, a proposed charter for such an organization. Last November this whole problem was discussed in London by a commission, consisting of representatives of 18 countries,

which had been set up by the United Nations for the purpose. The American draft was taken as the basis of discussion. At the conference a substantial part of the charter was agreed upon by the conferees although, of course, such agreement had no binding effect on the governments concerned.

Since the conference, the revised charter has been printed and distributed widely in the United States. The interdepartmental committee involved, the Executive Committee on Economic Foreign Policy, has held informal hearings in Boston, New York, Washington, Chicago, Denver, New Orleans, and San Francisco. In general, the hearings indicated wide-spread support for the general idea and a number of specific suggestions were presented which have been given careful study in Washington, and many of which have been incorporated in the American position.

However, it is not enough for the United States to urge that an international organization be established. For 14 years, as expressed in the authority given by Congress to the President, we have had as our national policy the negotiation of reciprocal trade agreements bilaterally, by means of which very carefully selected reductions in the American tariff were made in exchange for reductions in the trade barriers in the other country with whom we were negotiating. Last week in Geneva we commenced the negotiation of such reciprocal trade agreements with 17 other countries and hope thus to demonstrate in no uncertain terms our willingness to lower trade barriers, providing these and other countries will show their willingness to follow the same general course.

This is a positive program, an American program. It is a reflection of our own economy. The American economic system is based upon a tremendous market within which trade flows without restrictive barriers and with a single medium of exchange. The high standard of living in New England is made possible in large part by the tremendous interchange in goods and services which takes place between New England and the rest of the United States. Although we recognize that there are times and circumstances when the government must step into the picture, by and large we leave the economic process to the working of economic forces and the direction of individual businessmen and consumers.

The contrasting picture of multiple government

controls by means of quotas is bad not merely because of its restrictive character, but because in all probability it would have a serious impact upon our way of doing business in our own country. Barter arrangements and quota systems are fixed not by private traders but by public officials. If we in the United States are to be faced by quotas all around the world, we shall have to bargain our way into foreign markets product by product, country by country, and month by month. We shall have to obtain our needed raw materials by the process of negotiation.

Private traders are helpless in the face of such a situation. To deal effectively, we might need to put on a quota system of our own, and finally to establish either a Government export and import monopoly, or a complete system of controls by licenses. I therefore speak with the utmost seriousness when I say that the pattern for international trade adopted by the leading trading nations must be a matter of great concern to those who wish to preserve the American economic system in the United States, let alone to strengthen it.

These are major stakes, and without strong leadership from the United States there is little hope that many countries can dare to take the risk of withdrawing their protective controls which are so restrictive. The program must move ahead simultaneously on the various fronts which I have indicated. Failure to carry through effectively on our part means that we risk our international leadership in the economic field, our foreign trade, and some aspects of our economic system itself.

I have been focusing my attention upon the economic aspects of our interest in foreign affairs, but I do not want to end on that note. At least two other angles should be mentioned, both of which are closely related to the preservation of the American way.

First is the humanitarian, the friendly, the personal concern. I am unwilling to recognize that this country is only interested in the materialistic. I think we have shown our generosity through our contributions to relief and our many indirect and informal types of assistance. That is part of the American way, and it does not stop at the national boundary.

And second is our search for security, for national security. We are not a warlike nation. We are slow to enter into war, and we are overwhelmingly eager to find ways and means of putting

an end to the use of force. Not only is war itself such a terrible thing, but the burden of armaments, the providing of security in peacetime through preparedness, is a tremendous burden upon mankind.

But this brings us back to my central theme. Economic health will not assure peace, but it is a substantial preventive of conditions which create international ill-will. Access to markets and raw materials, non-discrimination in international

trade and development, and the creation of a forum wherein economic controversies can be handled in an orderly way will all help towards the goal of universal peace.

I see no escape from the fundamental proposition: We cannot separate our domestic and our foreign affairs. And the strengthening of our domestic economy depends in part upon the success of our efforts to bring economic health, stability, and sanity to the rest of the world.

## International Trade Conference Convenes in Geneva

### STATEMENT BY DEPUTY CHAIRMAN OF THE U. S. DELEGATION<sup>1</sup>

It is a matter of regret that the Chairman of the Delegation of the United States, Mr. W. L. Clayton, Under Secretary of State for Economic Affairs, was unable to be present for the opening of this meeting. He is now on his way to Geneva and should be with us by the middle of the week. The statement that I shall make on his behalf is brief.

In the speech which he delivered at Waco, Texas, on the 6th of March, the President of the United States made clear the great importance which he attaches to the success of this meeting. Speaking of the preparation of a charter for an international trade organization, he said the progress that has already been made on this project is one of the most heartening developments since the war.

If the nations can agree to observe a code of good conduct in international trade they will cooperate more readily in other international affairs. Such agreement will prevent the bitterness that is engendered by an economic war. It will provide an atmosphere congenial to the preservation of peace and, speaking further of the negotiations directed toward the reduction of tariffs, the elimination of other restrictive measures, and the abandonment of discrimination. The President went on to say the success of this program is essential to the establishment of the International Trade Organization, to the effective operation of the International Bank and the Monetary Fund, and to the strength of the whole United Nations structure of cooperation in economic and political affairs. The negotiations at Geneva must not fail.

These last words may be taken as the message of the President to this meeting: The negotiations at Geneva must not fail. During the months that have intervened since the first meeting of this committee, the Government of the United States has completed its preparation for the work that is about to begin.

As a part of this preparation it carried the London draft of the charter to the American people and asked for their advice in informal conferences and in public hearings held in seven cities. Testimony was received from some 250 persons representing business, labor, agricultural, consumer, civic, and religious organizations from 20 states. This testimony revealed a careful and sympathetic appraisal of the document and brought forth a number of thoughtful suggestions for its clarification and development. More recently a committee of the United States Senate subjected the charter to a detailed and painstaking analysis and in the course of this inquiry additional suggestions for the improvement of the draft were made as a result of these suggestions.

The American Delegation is prepared at the appropriate time to present a number of proposals for amendment. All of these proposals, I may add, are in the spirit of the charter and are consistent with the purposes upon which we are all

<sup>1</sup> Made at a plenary session on Apr. 14, 1947 and released to the press in Washington on Apr. 15. Clair Wilcox, Director of the Office of International Trade Policy, Department of State, is Deputy Chairman.

agreed. The other part of our preparation for this meeting has consisted of steps leading up to definitive negotiations on tariffs and other barriers to trade. It will be recalled that this committee had agreed at its meeting in London upon the procedures that were to be followed at each stage of this work.

At the first stage each member of the committee was to transmit to each other member a preliminary list of concessions which it proposes to request. This we have done.

At the second stage, each member should submit a schedule of the proposed concessions which it would be prepared to grant to all other members in the light of the concessions it would have requested from each of them. This we are now prepared to do. The basis of these negotiations is set forth in article 24 of the charter which provides that tariff negotiations shall be on a reciprocal and mutually advantageous basis. This means that no country would be expected to grant concessions unilaterally without action by others or to grant concessions to others which are not adequately counterbalanced by concessions in return. It is on this basis that the United States is now prepared to, as soon as the committee is ready, in accordance with the procedure upon which it has agreed to, enter into actual negotiations whether they be on the text of the charter or on the details of trade concessions. We shall be ready to participate. It is our hope that these negotiations will be initiated at the earliest possible moment and carried forward with the greatest possible dispatch. We realize of course that the magnitude and the complexity of this undertaking are without precedent, but we know too that this committee has already earned for itself a reputation for quiet industry, steady progress, and the prompt completion of an appointed task—a reputation that gives ground for confidence of achievement in the weeks that lie ahead.

#### **Arms, Ammunition, and Implements of War**—Continued from page 754

curred under section 12 of the joint resolution of November 4, 1939, prior to the effective date of this Act may be prosecuted and punished, and suits and proceedings for violations of section 12 of the joint resolution of November 4, 1939, or of any

rule or regulation issued pursuant thereto may be commenced and prosecuted in the same manner and with the same effect as if that section of the joint resolution had not been repealed.

SEC. 15. The functions conferred by this Act shall be excluded from the operation of the Administrative Procedure Act (Public Law 404, 79th Cong.), except as to the requirements of section 3 thereof relating to public information.

SEC. 16. There is hereby authorized to be appropriated to the Department of State, out of any money in the Treasury of the United States not otherwise appropriated, such sums as may be necessary for the purpose of carrying into effect the provisions of this Act.

SEC. 17. This Act may be cited as the "Munitions Control Act of 1947".

### **U.S. Requests Reinstatement of Credentials for Correspondent in Spain**

[Released to the press April 14]

On April 2, 1947, Francis E. McMahon, correspondent in Spain for the *New York Post*, was notified in Seville by representatives of the Subsecretariat of Popular Education of the withdrawal of his press credentials.

On April 3, 1947, Philip W. Bonsal, U.S. Chargé d'Affaires in Madrid, informed the Spanish Foreign Office of what had occurred and requested that an investigation be made of the circumstances surrounding the withdrawal of Dr. McMahon's press credentials. On April 5, 1947, the Spanish Foreign Office confirmed the withdrawal of Dr. McMahon's press credentials. On this occasion Mr. Bonsal made an energetic oral protest which was presented in written form on April 8. On April 11, 1947, Spanish Foreign Minister Martin A. Artajo informed Mr. Bonsal that the Spanish Minister of Education had decided not to renew the press credentials of Dr. McMahon. The withdrawal of credentials was said not to be due to any one single story. The Foreign Minister said that the action was taken in view of the "tendencious and often factually inexact" nature of Dr. McMahon's articles. Mr. Bonsal had previously been informed that the reason for the withdrawal of the credentials was that Dr. McMahon had "failed to meet the test of indispensable objectivity."

Mr. Bonsal contrasted this treatment with the

complete freedom of action enjoyed by Spanish correspondents in the United States. This Government believes the action of the Spanish Government in withdrawing Dr. McMahon's credentials represents a regrettable modification of the policy of freedom from censorship for foreign correspondents in Spain which was announced by the Spanish Government in April 1945.

The Spanish Foreign Minister assured Mr. Bonsal that he would receive in due course a written reply to his protest delivered on April 8. The text of Mr. Bonsal's note follows:

"EXCELLENCY: I have the honor to refer to the case of Dr. Francis E. McMahon, correspondent of the New York *Post*, which I discussed with Señor Jose Sebastian de Erice, Director General of Foreign Policy, on April 5. This case has given serious concern to the Government of the United States and this communication reflects specific instructions from the Department of State.

"The facts in the case appear to be as follows:

"On March 24, the Director General of Press, Señor Tomas Cerro, renewed Dr. McMahon's press credentials for a six-month period. On March 26, Dr. McMahon filed in Seville his regular weekly telegram to his newspaper. This telegram was held up in Madrid apparently by the press authorities without notification to Dr. McMahon with the result that Dr. McMahon's employer, the New York *Post*, was seriously concerned at not hearing from him. On Wednesday, April 2, Dr. McMahon was informed by the Seville representative of the Subsecretariat of Popular Education that he should return his press card to the authorities. He was given no explanation of the basis for this action and he refused to comply with the order until he did receive an explanation.

From what Señor Erice tells me, I gather that the reason for which Dr. McMahon incurred the displeasure of the authorities was the following passage from his telegram of March 26, based upon an article taken from the magazine *Catedra*, weekly publication of the official syndicate of university students at the University of Seville:

"Police Seville been active this week. Seized all copies could lay hands on university student publication *Catedra*. Magazine edited by Falange group at institution.

"Not seized because attacked this issue certain

professor for his widely known democratic views. Blasts against this professor appeared before without any sign disapproval political authorities.

"It was their assault upon integrity two public officials aroused wrath politicians. Students inserted alleged news item about Minister Foreign Affairs named Martinart and his colleague head Cultural Institute by name Ruskijimenich. Both men declared had planned make movies about renowned conquistador. To this effect created committee they dominated. From this committee, according story, the two men solicited funds. "Committee" studied matter finally informing Martinart and Ruskijimenich would be allotted them one million dollars. Although incident allegedly took place distant country region Carpathian Mountains authorities here believed too much similarity in names to Sr. Martin Artajo Francos, Minister Foreign Affairs, and Professor Ruiz Jiminez, head Hispano-American Institute in Madrid.

"Now reported from Madrid Artajo protested personally General Franco threatening resign his post unless measures taken restore his reputation.

"Next number *Catedra* probably carry another vicious attack against anti-Fascist professor but one can be sure all references derogatory character to powers that be will be omitted."

"I believe that you will agree that a public attack by a Falange organization upon other officials of the Spanish Government constitutes an item of legitimate news interest and that it was entirely within the scope of Dr. McMahon's professional duties to report it.

"I wish hereby to protest most emphatically at the treatment accorded to Dr. McMahon who in addition to being a reputable newspaper correspondent is a distinguished scholar and professor. That treatment included both the holding up of his despatch of March 26 without advice to him and the peremptory demand made upon him without any explanation whatever to deliver to the authorities the press credentials which had been renewed only eight days before.

"I wish to point out in this connection that Spanish correspondents in the United States are given entire freedom of action. I also wish to recall that in April of 1945 Ambassador Armour was informed by the then Minister of Foreign Affairs that the Spanish Government had decided upon the policy of granting entire freedom from censor-

ship and control to duly accredited foreign correspondents in Spain.

"I am instructed by my Government to request in view of the above factors that Dr. McMahon's press credentials and privileges be reinstated without loss of time.

"Accept [etc.]"

## U.S. Zone in Germany Closed to Additional Displaced Persons

[Released to the press April 18]

*At his news conference on April 18, Acting Secretary Acheson made the following statement*

There is one matter that I should like to bring up myself in view of some confusion which has taken place in the press, and that is the announcement which General Clay made a few days ago in Germany about displaced persons.

General Clay has announced that on April 21 new applicants will not be accepted in displaced-persons centers in the United States zone. With certain exceptions explained by General Clay, this applies to the 166,000 persons of all nationality out of camps in the zone as well as to new arrivals in the zone. The purpose is to stabilize the present displaced-persons population of the centers. The policy was proposed by the War Department for administrative reasons, and was concurred in by the State Department prior to issuance. The directive in question has nothing to do with the Palestine question. It was not made as a result of any British representations, or in anticipation of any. It does not alter the policy of this Government not to close the borders of its zones to persecutees.

## Surplus Property Air-Rights Agreements

[Released to the press by OFLC April 9]

Air-rights agreements involving disposal of surplus property overseas have been concluded with 15 countries, the Office of the Foreign Liquidation Commissioner disclosed on April 9.

United States air lines, as a result, are able to fly almost all routes over which they are authorized to operate using navigational aids, communication facilities, weather-reporting facilities, and airfields which dot the globe.

The aids—all items of surplus property—were turned over to the various governments for cash

and credit through bulk sales, for other considerations, and, in all cases, for the right of American lines to utilize the facilities.

At some stations American air-line personnel are temporarily operating the equipment while training local technicians for operational jobs.

Agreements most recently completed were those involving facilities at Myitkyina, Burma; Fenny and Assam, India; Saigon, Hué, Qui-nhon, French Indochina; St. Pierre Island off Newfoundland; Copenhagen, Denmark; Stockholm, Sweden; Oslo, Norway; Amsterdam, Holland; Biskra, Bône, Maison-Blanche, Oran, and Corsica under the French flag.

Previously, agreements had been completed with the United Kingdom, Canada, Egypt, Brazil, Italy, China, the Philippine Republic, and Belgium.

### Post-UNRRA Relief Program—Continued from page 757

American relief in Europe, we would establish in each country, attached to the United States Mission, a staff charged with the responsibility of supervising and inspecting the distribution of the supplies and checking on compliance with the terms of our agreement. It would obviously be impractical in the short time available to build up a force of thousands of people which could physically distribute supplies to each person in the country. A relatively small staff, by circulating freely through the country and inspecting the operations, can adequately supervise the distribution process. Such a staff composed of top-notch men experienced in foreign relief operations would readily detect any important violations of our agreement. Immediate action to stop relief shipments would be taken in case they reported any such violations and these were not promptly corrected. The regular staff of our Embassies would of course assist in this work.

In concluding my statement I want to re-emphasize the need for urgent consideration of the bill. Remaining UNRRA food shipments, together with shipments procured with such small amounts of funds as the countries themselves can make available, will cease late in April or early in May. In all European countries grain stocks are lowest just before the harvest. Except for farmers, the people in the needy countries will to a large extent have to exist on imported grain until the new harvest becomes available. We must

be able to commence shipments early in May if a break-down of food distribution, with a threat of starvation and civil unrest, is to be avoided during this critical period.

With the possible exception of Austria, and the special case of Greece, where, as the committee knows, we are planning a more extended program, I do not believe that free relief beyond that authorized in the bill will be needed unless disastrous crop conditions or other unforeseen events occur. However, if we fail promptly to provide the assistance which has been requested by the President, I feel sure that there will be wide-spread human suffering with grave political and economic consequences which would affect us and the whole world.

## **Lend-Lease Discussions With U.S.S.R.**

[Released to the press April 14]

The Governments of the United States and the Union of Soviet Socialist Republics have reached an agreement to begin conversations with a view to concluding a final settlement of outstanding lend-lease questions as provided for in the terms of the master lend-lease agreement of June 11, 1942.

The conversations will take place in Washington. The Soviet Ambassador to the United States, Mr. Nicolai V. Novikov, has been designated Soviet negotiator and discussions will commence immediately after his return to Washington. The United States Government will be represented by Assistant Secretary of State for economic affairs Willard Thorp and officials of his office.

## **U.S.-Swedish Discussions on Import Restrictions**

[Released to the press April 17]

At the suggestion of the Government of Sweden, a Swedish trade delegation has arrived in Washington to discuss the problems surrounding the application of the recently imposed Swedish import restrictions in their relation to the United States-Swedish reciprocal trade agreement of 1935.

The Swedish Delegation is composed of Herman Eriksson, Swedish Minister, Dag Hammarskjöld, Financial Adviser to the Swedish Government, Sven Brusewitz, former Director of the State Trade Commission, and Leif de Belfrage, Commercial Counselor of the Swedish Legation.

## **Pre-1934 Philippine Bonds Delivered to U.S. for Destruction**

Secretary Snyder announced on April 16 that arrangements are being completed for the delivery of securities totaling \$19,420,250 face amount to the Secretary of the Treasury by the Philippine Government under the provisions of the Philippine independence act, as amended. This act, also known as the Tydings-McDuffie act, required that all bonds of the Philippines, its provinces, cities, and municipalities, issued prior to May 1, 1934, under authority of acts of Congress, which were held in sinking funds of such outstanding bond issues as of July 4, 1946, should be delivered to the Secretary of the Treasury for destruction. It also required that all other assets of sinking funds maintained by the Philippine Government for pre-1934 bonds, together with proceeds of the Supplementary Sinking Fund which had been established for such bonds in the United States Treasury under the provisions of the same act, should be deposited in a special trust account in the name of the Secretary of the Treasury for the payment of future principal and interest on pre-1934 Philippine Government bonds.

The delay in the physical delivery of securities to the Secretary of the Treasury was occasioned as a result of the war with Japan and the necessity for reconciling Philippine accounts after reoccupation of Manila. However, the Philippine securities representing sinking-fund assets have been held by the United States agencies having such securities in custody subject to the sole order of the Secretary of the Treasury since July 4, 1946, pending the determination, from available records, of the specific securities to be delivered to the Secretary. This determination has now been completed.

## **Letters of Credence**

*Siam*

The newly appointed Ambassador of Siam, His Royal Highness Prince Wan Waithayakon, presented his credentials to the President on April 18. For texts of the Ambassador's remarks and the President's reply, see Department of State press release 338 of April 18, 1947.



## Anniversary of Pan American Day

### STATEMENT BY ASSISTANT SECRETARY BRADEN<sup>1</sup>

On this anniversary of Pan American Day, which holds particular significance and hope for all the Americas, I am very happy to convey my cordial greetings and good wishes to the people of the republics of the new world.

It is both a comfort and an inspiration to us to realize that on this day, which marks the establishment of the Pan American Union more than half a century ago, people in all the 21 American republics are commemorating the spirit of solidarity and cooperation which has become so important a factor in our continental life. Recalling as we do today the past achievements which the cooperation of the American republics has made possible, we derive therefrom a renewed confidence in our ability to meet with continued success the common problems which face us in the future.

Today, a year and a half since the final military victory over our recent enemies, we find that the pressing problems of peace are but little less urgent than the imperative demands of war. Fortunately our experience has proved to us that we have in our inter-American system a vehicle through which our combined efforts can be brought to effective action in meeting these problems. We know also that the principles which have guided the inter-American system in the past—principles of mutual respect, of observance of our obligation, and of devotion to human liberty and welfare—are essential to the achievement of peace and of democracy which are the ultimate goals of our inter-American endeavor.

The principal organ of the inter-American system is the Pan American Union, for which this year, 1947, is a particularly significant one. Next

month the Union will welcome its new Director General, Dr. Alberto Lleras Camargo of Colombia, who was elected in March to this most important post by the unanimous vote of the Governing Board of the Pan American Union. Dr. Lleras Camargo's unquestioned talents and brilliant reputation bring to the Pan American Union a confidence that its affairs during the coming years will be conducted with the highest ability. His presence will do much to compensate for the great sorrow which was experienced throughout the American republics at the tragic death of Dr. Leo S. Rowe, whose long and devoted labors contributed so greatly to the development of the Union.

Furthermore, we look forward this year with greatest anticipation to the Ninth International Conference of American States which is scheduled to be held in Bogotá in December of this year. At this conference there will be brought to fruition the labors which have been undertaken, since the Inter-American Conference on Problems of War and Peace at Mexico City in 1945, for the strengthening and improvement of the inter-American system, and the clarification of its underlying principles. I am confident that the work of the Ninth International Conference will produce a union and an inter-American system that will be better fitted than ever to cope with the problems of peace and security, and of economic and cultural cooperation, which the future will lay before us. This will be an achievement not only of the highest importance to the American republics, but of significance to the entire world as it searches in this period of history for a solid foundation on which to build the peace which all peoples so deeply desire.

Success in the great tasks before the inter-American system this year will demonstrate to the world that the American republics, banded together in a common love of justice, freedom, and democracy, can point the way for others who seek the spiritual and material fruits of united action by honest men.

<sup>1</sup> Recorded in Spanish for short-wave broadcast to Latin America over the "Voice of the United States of America" on the occasion of Pan American Day, Apr. 14, 1947, and released to the press on the same date. Spruille Braden is Assistant Secretary of State for American republic affairs.

# The Inter-American System: A Solid Foundation for the Challenge of the Future

BY ELLIS O. BRIGGS<sup>1</sup>

We now approach the ninth general conference of American states, which has been scheduled by the host Government of Colombia for next December. What is the program, and how can we render the meeting effective?

The victory has been won, but the peace still eludes us. Clearly in the measure in which the foundations of world peace shall have been laid, problems facing the inter-American family will have been simplified. Conversely a deterioration elsewhere in the world could not but render our tasks at Bogotá and thereafter infinitely more difficult. The New World is but a part of the whole world, and the inter-American association has voluntarily established itself under the United Nations Charter as a regional system within a world system. The Bogotá meeting must be viewed in a whole-world perspective.

The ideals and practices of the inter-American system cannot be divorced from the ideals and practices of democracy. That system is an extension in the international sphere of the concepts whereby free peoples seek to guide their domestic affairs. The procedures of inter-American cooperation would have little meaning without the vitalizing breath of the democratic spirit. They are the manifestations of that spirit in action.

Our concern for the development and strengthening of the inter-American system cannot be separated from our concern for the maintenance and development of democratic ideals and practices in all the American republics. Democracy and the inter-American system, as a statesman of Uruguay recently pointed out, are bound to stand or fall together.

The American republics have rejected the doctrine that man exists for the benefit of the state, a doctrine irreconcilably opposed to democracy, which rests on the belief that the state exists for the benefit of man. That belief was challenged by Germany and Japan, but their defeat did not solve the problem. That belief is being challenged today, and the echoes of the challenge will be heard at the Bogotá conference.

Dictatorships assert that the state is an end in

itself, and that man is but the expendable tool of the state. Dictatorships, as a liberal American newspaper recently declared, are by nature conspirational in character, are not accountable to the people for their actions, and sooner or later in an effort to distract attention from their domestic shortcomings or incompetence are likely to engage in bellicose maneuvers against neighboring states.

It makes little difference to the individual whether his freedoms, hard-won through the centuries, are stolen in the name of rightist or leftist totalitarianism. Both are thieves of liberty, and to him who has been robbed it is of small importance whether the coat of the thief was red or black.

It is not enough however for us to be against totalitarianism of whatever shade or color. We must not only resolutely protect ourselves against the thieves of liberty, we must also be for our democratic principles of life. Above all, we must make those principles function successfully.

Political peace, and the operation in practice of the principles of democracy, are important parts of the problem. Another is economic security.

The republics of this hemisphere, in contrast to most of the rest of the world, emerged from the war relatively undamaged. We do not forget our own million casualties on the battlefields from Guadalcanal to Africa, nor that the United States now has a per capita debt, due largely to the war, of approximately \$2,000 for every man, woman, and child in this country. It is also pertinent to observe that while the New World in comparison with the Old World suffered no devastation, the countries of Latin America, although their economies were in varying degrees affected, fared well in contrast to the United States. Some, in fact, fared excellently.

The economic aspect to which I refer involves an application of sovereignty. Now the tree of sovereignty produces valuable fruit. Juridical equality grows there, much esteemed by the inter-

<sup>1</sup>Excerpts from an address delivered before the Pan American League in Miami, Fla., on Apr. 14, 1947, on the occasion of Pan American Day, and released to the press on the same date. Mr. Briggs is Director, Office of American Republics Affairs, Department of State.

American family, together with pride on the part of each country in its own achievements. Sap from the roots of sovereignty produces the flower of patriotism. In our time, however, a thorny branch has appeared on the tree, its growth stimulated by the war. It is called exaggerated nationalism, and unless each country prunes that branch, the thorns can constitute an impenetrable economic thicket, a veritable forest of brambles altogether stifling to international trade and frustrating to progress.

All of the American republics have declared that they favor liberal trade practices and private enterprise. Many of them have acknowledged the desirability of having foreign capital—private enterprise capital—participate in future economic development. Much remains, nevertheless, to be done to make these declarations effective. It is clear that foreign capital will not venture, and in fact cannot operate, in circumstances in which excessive nationalism persists, or where the state of mind producing excessive nationalism results in measures which discriminate against foreign capital merely on the grounds that it is not national capital.

This also is a world problem, and solutions are being sought on a world basis. It is likewise a question the answer to which can profitably be discussed, pruning equipment in hand, within the inter-American association.

For the rest, it is comforting in this disordered moment of history to observe the confidence with which the American republics are looking forward to the Bogotá conference. Problems we have, difficult problems, in abundance. But ours is a confidence based on trust, on friendship, and on the rich experience of nearly six decades of pan-American relationship.

The foundations have been strongly laid: compliance with obligations, non-intervention, and respect for the juridical equality and the sovereignty of each member. Those are sound foundations. They require no modification.

The war years have strengthened our association, have made us more conscious of the value and the vitality of the underlying ideals on which inter-American cooperation is based.

In approaching the Ninth International Conference of American States, we are inspired by the knowledge of how well the forces of democracy in this hemisphere have met the challenge of the re-

cent past. We are aware of the fortitude, the effort, and the vigilance that may be required to meet the challenge of the future.

## Visit of Cuban Chemist

Dr. Francisco de la Carrera y Fuentes, director of the Department of Chemistry and vice dean of the School of Sciences of the University of Habana, Cuba, is visiting the United States at the invitation of the Department of State. He has been awarded a grant-in-aid under a program administered by the Division of International Exchange of Persons of the Department to enable him to visit universities, educational centers, and scientific institutions in the United States, and to confer with colleagues in the field of chemistry. He is especially interested in obtaining information that will assist him in plans for a new chemistry building, for which the University of Habana has recently appropriated funds.

Dr. de la Carrera arrived in Washington on April 9, 1947. Following his attendance at the annual meeting of the American Chemical Society, held in Atlantic City, New Jersey, from April 14 to 19, Dr. de la Carrera plans to visit educational institutions in Pennsylvania, New York, Connecticut, Massachusetts, Ohio, Michigan, California, Texas, and Louisiana.

## Conversations on Broadcasting Arrangements With Cuba

[Released to the press April 16]

Federal Communications Commissioner Rosel Hyde and Neal McNaughton, a Commission engineer and Chief of the Broadcast Branch, Standard Broadcast Division, have arrived in Habana at the request of the Department of State to open negotiations on the provisions of the North American regional broadcasting agreement, Habana, 1937, as set forth in paragraph 3, section D, part II.

In consultation with the American Embassy, Commissioner Hyde and Mr. McNaughton will negotiate with Cuban officials in an endeavor to amplify, by means of bilateral agreement, the provisions of this agreement with respect to the establishment of a new or expanded procedure by means of which potential radio interference on broadcasting channels may be calculated.

From Cuba, Mr. Hyde and Mr. McNaughton may proceed to Mexico City for similar talks before returning to Washington.

# Protocol for the Regulation of Whaling—1946<sup>1</sup>

## THE PRESIDENT'S LETTER OF TRANSMITTAL

THE WHITE HOUSE, *April 8, 1947.*

*To the Senate of the United States:*

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a certified copy of a protocol for the regulation of whaling, opened for signature at Washington on December 2, 1946, and signed under that date for the United States of America, Argentina, Australia, Brazil, Canada, Chile, Denmark, France, the Netherlands, New Zealand, Norway, Peru, the Union of South Africa, the Union of Soviet Socialist Republics, and the United Kingdom of

Great Britain and Northern Ireland. The protocol extends until October 31, 1948, the provisions of the protocol signed at London, November 26, 1945, amending the agreement for the regulation of whaling, signed at London, June 8, 1937.

I also transmit, for the information of the Senate, the report made to me by the Acting Secretary of State in explanation of the objectives and provisions of the protocol of December 2, 1946.

HARRY S. TRUMAN

(Enclosures: (1) Report of the Acting Secretary of State, (2) certified copy of protocol, opened for signature December 2, 1946, for the regulation of whaling.<sup>2</sup>)

## REPORT OF THE ACTING SECRETARY OF STATE

*Washington, April 7, 1947.*

The PRESIDENT,

*The White House.*

The undersigned, the Acting Secretary of State, has the honor to lay before the President, with a view to its transmission to the Senate to receive the advice and consent of that body to ratification, if his judgment approve thereof, a certified copy of a protocol for the regulation of whaling, opened for signature at Washington December 2, 1946, and signed under that date for the United States of America, Argentina, Australia, Brazil, Canada, Chile, Denmark, France, the Netherlands, New Zealand, Norway, Peru, the Union of South Africa, the Union of Soviet Socialist Republics, and the United Kingdom of Great Britain and Northern Ireland. The protocol extends until October 31, 1948, the provisions of the protocol signed at London November 26, 1945, amending the agreement for the regulation of whaling, signed at London June 8, 1937.

The provisions of the protocol were formulated by the International Whaling Conference held at Washington from November 20 to December 2, 1946. One of the objectives of that Conference was to decide upon adequate regulations to be applied during the whaling season of 1947-48. In the absence of such regulations, failure to effect the entry into force, prior to the opening of the 1947-48 season, of the long-range regulations formulated

at the Conference would bring about a situation in which that season would be governed only by the less extensive provisions of the convention for the regulation of whaling signed for the United States at Geneva March 31, 1932, the agreement for the regulation of whaling signed at London June 8, 1937, and the protocol signed at London June 24, 1938, to all of which the United States is a party as a result of the ratification thereof by this Government.

Accordingly, article I of the protocol extends to the 1947-48 whaling season the provisions of the protocol of November 26, 1945, which supplements and modifies previous agreements, thus continuing the over-all catch limitation in Antarctic waters as well as other desirable features of the protocol of 1945.

Article II provides that the protocol shall enter into force when notifications of acceptance have been given to the Government of the United States of America by all the governments parties to the protocol of November 26, 1945, to which the United States is a party as a result of the ratification thereof by this Government.

Respectfully submitted.

DEAN ACHESON

(Enclosures: Certified copy of protocol, opened for signature December 2, 1946, for the regulation of whaling.)

<sup>1</sup> S. Exec. K, 80th Cong., 1st sess.

<sup>2</sup> Protocol not printed.

# International Convention for the Regulation of Whaling<sup>1</sup>

## THE PRESIDENT'S LETTER OF TRANSMITTAL

THE WHITE HOUSE, *April 8, 1947.*

*To the Senate of the United States:*

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a certified copy of an international convention for the regulation of whaling, opened for signature at Washington on December 2, 1946, and signed under that date for the United States of America, Argentina, Australia, Brazil, Canada, Chile, Denmark, France, the Netherlands, New Zealand, Norway, Peru, the Union of South Africa, the Union of Soviet Socialist Republics, and the United Kingdom of Great Britain and Northern Ireland.

The purposes of the convention are explained in the report of the Acting Secretary of State, which

is transmitted herewith for the information of the Senate.

I also transmit a certified copy of the final act of the International Whaling Conference held at Washington from November 20 to December 2, 1946, at which the convention was formulated, and a copy of the report of the delegation of the United States of America to that Conference. The final act does not require ratification and is transmitted as of possible interest in connection with the consideration of the convention.

HARRY S. TRUMAN

(Enclosures: (1) Report of the Acting Secretary of State; (2) certified copy of convention for regulation of whaling, opened for signature December 2, 1946;<sup>2</sup> (3) certified copy of final act of International Whaling Conference held at Washington, November 20 to December 2, 1946;<sup>2</sup> (4) copy of report of the United States delegation.<sup>2</sup>)

## REPORT OF THE ACTING SECRETARY OF STATE

*Washington, April 7, 1947.*

THE PRESIDENT,  
*The White House:*

The undersigned, the Acting Secretary of State, has the honor to lay before the President for transmission to the Senate to receive the advice and consent of that body to ratification, if his judgment approve thereof, a certified copy of an international convention for the regulation of whaling, opened for signature at Washington December 2, 1946, and signed under that date for the United States of America, Argentina, Australia, Brazil, Canada, Chile, Denmark, France, the Netherlands, New Zealand, Norway, Peru, the Union of South Africa, the Union of Soviet Socialist Republics, and the United Kingdom of Great Britain and Northern Ireland.

The provisions of the convention were formu-

lated by the International Whaling Conference held at Washington from November 20 to December 2, 1946. The principal objectives of that Conference were to consider the codification and possible modification of existing regulations on whaling in the light of the necessity for proper conservation of whale resources and orderly development of the whaling industry and to devise effective administrative machinery for the modification of these regulations from time to time without calling a new international conference and concluding a new agreement or protocol in each instance.

The regulations for the protection of whale stocks, which have undergone certain modifications but remain substantially similar to regulations embodied in previous agreements to which the United States is a party, are incorporated in the schedule attached to and forming an integral part of the present convention. The International Whaling Commission, provided for by articles III, IV, and V, is charged with responsibility for

<sup>1</sup> S. Exec. L., 80th Cong., 1st sess.

<sup>2</sup> Not printed.

carrying out the purposes of the convention and in particular for amending the provisions of the schedule by the adoption of new regulations with respect to the conservation of whaling resources.

Article I provides that the schedule shall form an integral part of the convention and that the convention shall apply to factory ships, land stations, and whale catchers, and to all waters in which they operate. These provisions are based upon article II of the agreement for the regulation of whaling, signed at London June 8, 1937, and ratified by the United States on September 3, 1937 (52 Stat. 1460).

Article II defines certain terms essential to the effective operation of the convention. These particular terms are embodied in the convention itself, rather than in the schedule annexed thereto and, like the other portions of the convention proper, can be changed only by a new convention or protocol.

Article III provides for the creation of the International Whaling Commission referred to above, to be composed of one member designated by each contracting government, and lays down certain rules for the operation of the Commission. Decisions of the Commission shall be taken by a simple majority of the members voting, except in cases involving amendments to the schedule, in which case a three-fourths majority of the members voting is required. The question of the relationship of this body to the United Nations, within the framework of a specialized agency thereof, is reserved for further consideration.

The provisions of article IV, which authorize the Commission to organize studies and gather statistical and other data with respect to whales and whaling, are new to international whaling agreements but are similar in many respects to provisions in recent international fisheries agreements to which the United States is a party, including the convention between the United States and Canada for the preservation of the halibut fishery of the Northern Pacific Ocean and Bering Sea, signed at Ottawa January 29, 1937, and the convention between the United States and Canada for the preservation of the sockeye-salmon fisheries of the Fraser River system, signed at Washington May 26, 1930.

The provisions of article V are likewise similar in certain respects to provisions contained in the above-mentioned fisheries conventions. The Com-

mission established in accordance with article III may amend the schedule by adopting regulations designating protected species, fixing closed seasons and waters, limiting total catches and the sizes of whales taken, defining standards for measurement of whales and specifications for whale-catching equipment, and establishing requirements for statistical and other records. In making such amendments, however, the Commission is prohibited from assigning numerical or other quotas to factory ships and land stations and is to be guided in its decisions by certain other criteria.

Article V places other limitations upon the Commission's amending power in addition to the requirement of a three-fourths vote as provided by article III. A contracting government may exempt itself from amendments adopted by the Commission by filing notice of objection with the Commission within 90 days after the Commission has informed it of the amendment. Such action shall suspend the operation of the amendment in question for an additional 90 days and shall accord to any other contracting government the right to file similar objection within that period or within 30 days from the date of receipt by the Commission of the last objection filed during the former period, whichever date shall be the later. The amendment in question shall become effective, with respect to all contracting governments which have not filed such objections, upon the expiration of the latest of the additional periods, but shall not become effective with respect to any government making objection thereto unless that objection is withdrawn. It is further provided that no amendments proposed by the Commission shall become effective before July 1, 1949.

Articles VI and VII contain provisions relating to the Commission's powers of recommendation and to the transmission of whaling statistics and other information, which are to be deposited with the International Bureau for Whaling Statistics at Sandefjord, in Norway, or with any other body which the Commission may designate.

Article VIII, which is based in large measure upon the provisions of article X of the agreement of June 8, 1937, authorizes the taking of whales for research purposes and subject to certain restrictions.

Article IX requires that each contracting government apply and enforce the provisions of the

present convention with respect to persons or vessels under its jurisdiction. In addition, the payment to crews of bonuses or other remuneration calculated upon the results of their work is prohibited with respect to the taking of whales protected by the provisions of the convention.

Article X provides for ratification by signatories and adherence by nonsignatories, and provides that the convention shall enter into force upon deposit with the Government of the United States of America of instruments of ratification by six signatory governments, which shall include the United States of America, the Netherlands, Norway, the Union of Soviet Socialist Republics, and the United Kingdom of Great Britain and Northern Ireland. It shall enter into force with respect to each government subsequently ratifying or adhering upon the date of deposit of its instrument of ratification or of receipt of its notification of adherence.

Article XI provides that any contracting government may withdraw from the convention on June 30 of any year by virtue of notice given on or before the preceding January 1st. Such action shall accord to any other contracting government the right, within one month of receipt from the Government of the United States of America of a copy of such notice, to give similar notice of withdrawal, which shall become effective the same June 30.

The provisions of the schedule, which pursuant to the provisions of article X of the convention, do not become effective until July 1, 1948, are based, with certain modifications and additions, upon similar provisions of the agreement of June 8, 1937, and the protocols of June 24, 1938, and November 25, 1943, to which the United States is a party. Among the modifications are the requirement of two inspectors aboard each factory ship (par. 1), the inclusion of sei whales among the species for which a minimum length has been specified (par. 9), and the establishment of a 3½ months' season for baleen whales in Antarctic regions (par. 7).

The undersigned also lays before the President a certified copy of the final act of the International Whaling Conference held at Washington from November 20 to December 2, 1946, which is furnished for the information of the Senate. The final act does not require action by the Senate.

<sup>3</sup> Not printed.

As of possible further interest to the Senate, particularly with respect to the provisions of the schedule, a copy of the report of the delegation of the United States of America to the Conference is furnished herewith.

Respectfully submitted.

DEAN ACHESON

(Enclosures: (1) Certified copy of convention for regulation of whaling, opened for signature December 2, 1946; (2) certified copy of final act of International Whaling Conference held at Washington November 20 to December 2, 1946; (3) report of the United States delegation.<sup>3</sup>)

## **The United States and Non-Self-Governing Territories**

The Department of State released on April 14 a summary entitled "The United States and Non-Self-Governing Territories", a compendium of information regarding the United States and non-self-governing territories with particular reference to chapters XI, XII, and XIII of the Charter of the United Nations. The summary outlines the development of international responsibility and of United States policy regarding dependent areas, the expansion of United Nations machinery for dealing with the problems of non-self-governing territories, and the work of the Preparatory Commission of the United Nations and of the General Assembly sessions in London and in New York with respect to the trusteeship question, and it defines the future responsibilities of the United States in the role of administrator of certain trust territories. Appended are pertinent United Nations and other international agreements and resolutions.

Copies of this study will be made available in printed form at a later date.

## **Confirmations to the Atomic Energy Commission**

The Senate on April 9, 1947, confirmed the following nominations to the Atomic Energy Commission:

Carroll L. Wilson, to be General Manager Within the Atomic Energy Commission.

David E. Lilienthal, Robert F. Bacher, Sumner T. Pike, Lewis L. Strauss, and William W. Waymack, to be members of the Atomic Energy Commission for terms expiring August 1, 1948.



Air Agreement With Canada Amended

EXCHANGE OF NOTES BETWEEN U.S. AMBASSADOR AND CANADIAN SECRETARY OF STATE FOR EXTERNAL AFFAIRS

[Released to the press April 17]

The Department of State announced on April 17 that the annex to the bilateral air-transport agreement between the United States of America and Canada of February 17, 1945, has been amended by an exchange of notes in Ottawa effective April 12, 1947. The changes effected by the new annex are in the form of provisions which mutually facilitate air-transport operations between the two neighboring countries by the removal of certain restrictions on several air-transport services and by the opening to both countries of the airfield at the border at Sault Ste. Marie.

The texts of the notes follow:

April 10, 1947.

EXCELLENCY:

I have the honor to refer to the recent discussions held in Ottawa by the representatives of the Governments of the United States of America and Canada relative to air transport. As a result of these discussions I would propose that the agreement between the United States of America and Canada for air transport services, effected by exchange of notes signed at Washington February 17, 1945, be amended by the substitution of the following Annex in lieu of the Annex contained therein:

"Annex

"A. The airlines designated by the Government of the United States of America may operate on the following routes, with the right to take on and put down passengers, mail and cargo at the Canadian terminals specified:

Boston—Moncton	Buffalo—Toronto
Boston—Montreal	Fargo—Winnipeg
New York or Boston—Quebec	Great Falls—Lethbridge
New York— <div><div>Montreal</div><div>Ottawa</div></div>	Seattle—Vancouver
Washington— <div><div>Montreal</div><div>Ottawa</div></div>	Seattle—Whitehorse
	Fairbanks—Whitehorse

"In consideration of special circumstances exist-

ing on the routes from New York and Washington to Montreal and Ottawa, the Canadian Government agrees that the United States carrier may serve both Canadian points on the same flights, so long as no Canadian cabotage rights are exercised.

"The service on the route between Buffalo and Toronto may, at the election of the United States Government, be rendered by two airlines. On the other routes service by a single airline only will be authorized.

"In addition to the routes listed above, airlines of United States registry will be authorized to stop in Windsor on any route on which they are now or in the future may be authorized by the United States Government to serve Detroit.

"B. The airlines designated by the Government of Canada may operate on the following routes, with the right to take on and put down passengers, mail and cargo at the United States terminals specified:

Halifax	—Boston
Toronto	—New York
Toronto	—Cleveland
Toronto	—Chicago
Port Arthur	—Duluth
Victoria	—Seattle
Whitehorse	—Fairbanks
Winnipeg	—Sault Ste. Marie— North Bay—Toronto

"In consideration of special circumstances existing on the internal Canadian route between Winnipeg and Toronto, the United States Government agrees that the Canadian carrier on this route may make use of an airfield at Sault Ste. Marie, Michigan, and may pick up and set down traffic there.

"A single airline will be authorized for each of the foregoing routes. With respect to the routes between Toronto and Cleveland and Toronto and Chicago no through services will be operated from either point in the United States to points lying beyond the territorial limits of Canada.

"In addition to the routes listed above, airlines of Canadian registry will be authorized to stop in Detroit on any route on which they are now or in the future may be authorized by the Canadian Government to serve Windsor."

Accept [etc.]

RAY ATHERTON

The Right Honorable

The Secretary of State for External Affairs

Ottawa

OTTAWA, 12th April, 1947.

EXCELLENCY,

I have the honor to refer to your note no. 675 of April 10, 1947, in which you propose that the Agreement between the United States and Canada for Air Transport Services, effected by an exchange of notes signed at Washington February 17, 1945, be amended by the substitution of the Annex contained in the above-mentioned note, in lieu of the Annex contained in the notes of February 17, 1945. The terms contained in the new Annex are acceptable to the Government of Canada, which agrees that your note no. 675 of April 10 and this reply shall be regarded as constituting an understanding between our two Governments concerning this matter.

Accept [etc.]

L. B. PEARSON

For: Secretary of State for  
External Affairs.

His Excellency

The Honorable RAY ATHERTON,

*Ambassador for the United States,*

*Ottawa.*

## THE CONGRESS

International Refugee Organization: Report to accompany S.J. Res. 77, from the Committee on Foreign Relations. S. Rept. 51, 80th Cong. 4 pp.

Amending the Law Relating to Larceny in Interstate or Foreign Commerce: Report to accompany H.R. 1564 from the Committee on the Judiciary. H. Rept. 145, 80th Cong. 3 pp.

Assistance to Greece and Turkey: Report From the Committee on Foreign Relations, to accompany S. 938 to provide for assistance to Greece and Turkey. S. Rept. 90, 80th Cong., 1st sess. 21 pp.

Relief Assistance to the People of Countries Devastated by War: Report From the Committee on Foreign Affairs, to accompany H.J. Res. 153 providing for relief assistance to the people of countries devastated by war. H. Rept. 239, 80th Cong., 1st sess. 10 pp.

Extension of Title III of Second War Powers Act: Conference report on the bill (S. 931) to extend certain powers of the President under Title III of the Second War Powers Act. S. Doc. 25, 80th Cong., 1st sess. 2 pp.

Providing for Relief Assistance to the People of Countries Devastated by War. H.J. Res. 153, 80th Cong., 1st sess. 6 pp.

Providing for Membership and Participation by the United States in the International Refugee Organization and Authorizing an Appropriation Therefor. S.J. Res. 77, 80th Cong., 1st sess. 5 pp.

Enabling the People of Hawaii To Form a Constitution and State Government and To Be Admitted Into the Union on an Equal Footing With the Original States: Report to accompany H.R. 49. H. Rept. 194, 80th Cong., 1st sess. 40 pp.

Assistance to Greece and Turkey: Hearings before the Committee on Foreign Relations of the United States Senate, on S. 938, a bill to provide for assistance to Greece and Turkey. 80th Cong., 1st sess. 214 pp.

Amending Section 327 (H) of the Nationality Act of 1940: Report from the Committee on the Judiciary, to accompany S. 460. S. Rept. 96, 80th Cong., 1st sess. 2 pp.

Menace of Communism: Statement of J. Edgar Hoover, Director, Federal Bureau of Investigation, before the Committee on Un-American Activities of the House of Representatives, relative to the menace of Communism. S. Doc. 26, 80th Cong., 1st sess. 12 pp.

To Continue the Authority of the Maritime Commission To Operate Vessels Until July 1, 1947: Hearings before the Committee on Merchant Marine and Fisheries of the House of Representatives, on H. J. Res. 114, a joint resolution to continue the authority of the Maritime Commission to operate vessels until July 1, 1947. 80th Cong., 1st sess. 87 pp.

To Continue the Commodity Credit Corporation: Hearings before the Committee on Agriculture and Forestry of the United States Senate, on S. 350, a bill to continue the Commodity Credit Corporation as an agency of the United States until June 30, 1949. 80th Cong., 1st sess. 144 pp.

Eradication of Foot-and-Mouth Disease: Hearings before the Committee on Agriculture of the House of Representatives, on H. R. 1819 (S. 568), to authorize the Secretary of Agriculture to cooperate with other American countries in the control and eradication of foot-and-mouth disease and rinderpest. 80th Cong., 1st sess. 93 pp.

Control and Eradication of Foot-and-Mouth Disease and Rinderpest: Hearings before the Committee on Appropriations of the United States Senate, on H. J. Res. 154, a joint resolution making an appropriation for expenses incident to the control and eradication of foot-and-mouth disease and rinderpest. 80th Cong., 1st sess. 26 pp.

Rubber Production and Importation Policy: Hearings before a Subcommittee of the Committee on Banking and Currency of the United States Senate, on S. J. Res. 79, H. J. Res. 77, and S. J. Res. 83, joint resolutions to strengthen the common defense by maintaining an adequate domestic rubber-producing industry. 80th Cong., 1st sess. 183 pp.

**Relief Assistance to Countries Devastated by War:** Hearings before the Committee on Foreign Affairs of the House of Representatives, on H. J. Res. 134, a joint resolution providing for relief assistance to countries devastated by war. 80th Cong., 1st sess. 129 pp.

**Succession to the Presidency:** Hearings before the Committee on Rules and Administration of the United States Senate on S. Con. Res. 1, a concurrent resolution to appoint a joint committee to investigate matters connected with the succession to the Presidency and the election of President and Vice President; S. 139, a bill to provide for the holding of special elections to fill vacancies caused by removal, death, resignation, or inability of both the President and the Vice President; S. 536, a bill to provide for the holding of a special election by the members of the Electoral College to fill vacancies caused by the removal, death, resignation, or inability of both the President and the Vice President; S. 564, a bill to provide for the performance of the duties of the office of President in case of the removal, resignation, or inability both of the President and Vice President. 80th Cong., 1st sess. 63 pp.

**Safety in Air Navigation:** Hearings before the Committee on Interstate and Foreign Commerce of the House of Representatives, on safety in air navigation. Part 1. 80th Cong., 1st sess. 646 pp.

**First Deficiency Appropriation Bill for 1947:** Hearings before the Subcommittee of the Committee on Appropriations of the House of Representatives, on the first deficiency appropriation bill for 1947. 80th Cong., 1st sess. 920 pp.

**Providing Support for Wool:** A report from the Committee on Agriculture, to accompany S. 814, a bill to provide support for wool, and for other purposes. H. Rept. 257, 80th Cong., 1st sess. 5 pp.

**Amending the Act on Espionage and Alien Registration:** A report from the Committee on the Judiciary, to accompany H. R. 1467, a bill to amend the act entitled "An act to punish acts of interference with the foreign relations, the neutrality, and the foreign commerce of the United States, to punish espionage, and better enforce the criminal laws of the United States, and for other purposes," of June 15, 1917, as amended, and the Alien Registration Act, 1940, to increase the penalties for violation of such acts, having considered the same. H. Rept. 250, 80th Cong., 1st sess. 5 pp.

**Estimate of Appropriation Involving a Decrease for the Council of Economic Advisers:** Communication from the President of the United States, transmitting estimate of appropriation involving a decrease of \$33,000 for the Council of Economic Advisers. H. Doc. 202, 80th Cong., 1st sess. 2 pp.

**Relieving Collectors of Customs of Liability for Failure To Collect Certain Special Tonnage Duties and Light Money:** A report from the Committee on the Judiciary, to accompany H. R. 1465, a bill to relieve collectors of customs of liability for failure to collect certain special tonnage duties and light money, and for other purposes. H. Rept. 249, 80th Cong., 1st sess. 2 pp.

**April 27, 1947**

## Agriculture in the Americas

The following article of interest to BULLETIN readers appeared in the April-May 1947 issue of *Agriculture in the Americas*, a publication of the Department of Agriculture, copies of which may be obtained from the Superintendent of Documents, Government Printing Office, for 10 cents each:

"Cibao Valley—Food Basket of the Dominican Republic", by Rollo P. Stovall, Economic Analyst, American Embassy, Ciudad Trujillo, Dominican Republic.

## THE FOREIGN SERVICE

### Appointments of Public Affairs Officers

The Department of State announced on April 10 the following appointments:

Donald Carl Dunham, as Public Affairs Officer at Bucharest, Rumania

George W. Edman, as Public Affairs Officer at Copenhagen, Denmark

Arthur H. Hopkins, Jr., as Assistant Public Affairs Officer at Chungking, China

## THE DEPARTMENT

### Interim Greece-Turkey Assistance Committee

I Pending the establishment of a permanent organization, an Interim Greece-Turkey Assistance Committee is hereby established.

A *Functions.* The Committee shall serve as the principal instrument of coordination for the various offices of the Department concerned with problems relating to the Greece-Turkey Assistance Program. Specifically:

1 To identify, analyze, and coordinate policy, operational, and organizational plans and recommendations on problems relating to the Greece-Turkey Assistance Program for the consideration of the Secretary and Under Secretary.

2 To plan, initiate, and maintain policy supervision over the preliminary operational phases of the program.

B *Membership.*

1 The Interim Greece-Turkey Assistance Committee shall be composed of a representative from each of the following units: U-E; A-P; A-H; A-T; A-B; NEA; EUR; OFD; and ITP. When appropriate, representatives of other units concerned may be invited or may request to participate in the work of the Committee.

2 The officers of this Committee are: The Chairman, Mr. George C. McGhee, U-E; the Executive Secretary, Mr. John D. Jernegan, NE. The secretary will

be provided by the Committee Secretariat Branch of the Executive Secretariat.

## Appointment of Officers

Hamilton Robinson as Director, Office of Controls, effective March 10, 1947.

Robert W. Woodward as Deputy Director, Office of American Republic Affairs, effective March 20, 1947.

The Department of State announced on April 14 the appointment of Otis E. Mulliken as Adviser in the Division of International Organization Affairs, Office of Special Political Affairs, Department of State.

## Departmental Regulations

### 116.1 Office of the Legal Adviser (Le): (Effective 2-14-47)

**I FUNCTIONS.** The Legal Adviser has equal rank in all respects with the Assistant Secretaries and has general responsibility for all matters of a legal character concerning the Department and Foreign Service. This involves the direction and coordination of all legal activities in the Department and includes the following functions:

#### A General.

- 1 Maintains liaison within the Department and with other departments on legal and related matters.
- 2 Provides legal representation on Departmental and Interdepartmental committees.
- 3 Participates in international conferences, and provides representation to the Secretary's Staff Committee.

#### B Atomic Energy and German-Austrian Matters.

- 1 Assists in the solution of legal problems relating to atomic energy matters; including the participation of the United States in the Atomic Energy Commission of the United Nations and in the establishment of an international agency for the control and development of atomic energy.
- 2 Handles specialized legal problems involving Military Government laws and policy with respect to Germany and Austria.

#### C Political Affairs.

- 1 Provides legal services for the geographic offices and divisions including the drafting or approving of instructions to embassies, consulates, and missions abroad and of communications to foreign embassies and legations in Washington whenever such instructions relate to a function of the political divisions and present a problem of legal character;
- 2 Handles questions relating to diplomatic protection of American nationals and their property interests in foreign countries;

- 3 Drafts and advises on treaties and other agreements with foreign governments in the general political field including treaties of peace and agreements subsidiary thereto.

#### D International Organization Affairs.

- 1 Renders legal services in connection with participation of the United States in international organizations, particularly the United Nations and its principal organs, the Security Council, General Assembly, the Economic and Social Council, the Trusteeship Council, and the International Court of Justice;
- 2 Handles legal problems relating to the functions of the United Nations Relief and Rehabilitation Administration and to the specialized agencies of the United Nations.

#### E International Claims.

- 1 Provides legal services on all international claims, including legal questions arising as a consequence of (a) war losses and (b) post-war programs of nationalization and agrarian reform programs of foreign countries;
- 2 Assists in the settlement of pre-war claims against a number of countries.

#### F Economic Affairs.

- 1 Provides legal services for the Under Secretary for Economic Affairs, the Assistant Secretary for Economic Affairs and for the offices and divisions (other than the Office of Foreign Liquidation) under the direction of the Assistant Secretary for Economic Affairs, and economic matters otherwise arising in the Department;
- 2 Provides legal services on problems relating to financial matters including loans made by the United States, investments of American industries abroad, cartels and combines, industrial and literary property, commercial treaties and trade agreements, and transportation problems;
- 3 Provides legal services on matters relating to aviation, shipping, and seamen, telecommunications, health and welfare activities, labor problems and natural resources, including fisheries.

#### G Administration and Foreign Service.

- 1 Provides legal assistance to the Assistant Secretary for Administration and for the offices and divisions under his direction in all matters relating to the administration of the Department and the Foreign Service, including personnel, budget, expenditure of funds and appropriation language;
- 2 Prepares, revises or reviews legislation, Foreign Service regulations, and Executive Orders before clearances with the Bureau of the Budget;
- 3 Supervises the legal aspects of the Foreign Service building program and passes upon the validity of real property transactions;
- 4 Handles Foreign Service legal problems relating to estates and notarial functions;
- 5 Provides instruction on problems of law affecting the Foreign Service, such as diplomatic privileges and immunities.

**H Military Affairs and Occupied Areas.**

1 Provides legal services for the Assistant Secretary for Occupied Areas including legal services relating to the Administration of the Selective Service Act in its effect on foreign relations, to war crimes, and to Hague, Geneva, or similar Conventions as may be given consideration;

2 Handles legal problems concerning military and naval bases; and jurisdiction over members of armed forces in foreign countries;

3 Works closely with other interested divisions of the Department with regard to the legal problems of occupied areas and other related problems arising directly out of the war such as reparations, the repatriation of refugees, and the taking over of Axis assets abroad, including diplomatic and consular properties.

**I Public Affairs.**

1 Provides legal services for the Assistant Secretary for Public Affairs and for the offices and divisions under his direction relating to contracts, supplementary agreements and modifications in connection with the information and cultural relations program;

2 Handles legal matters connected with the Administration of the Act of May 23, 1938 (5 U. S. C. 118e);

3 Provides legal counsel in connection with radio broadcasting and motion picture activities.

**J Special Problems.**

1 Handles legal problems in particular fields which call for specialization of an intensive character and which cut across other fields, such as immigration and nationality, sovereign immunity, extradition, and court procedure generally.

2 Discharges the Department's responsibilities with regard to amendments to the Constitution, and ascertains the electors for President and Vice President.

**K Treaties and other International Agreements.**

1 Collects, compiles, and maintains information pertaining to treaties and other international agreements;

2 Performs research and furnishes information and advice with respect to the provisions of such existing or proposed instruments;

3 Handles procedural matters on treaties, including the preparation of full powers, ratifications, proclamations, and protocols;

4 Handles matters related to the signing, ratification, proclamation, and registration of treaties and other international agreements;

5 Provides custody of the original texts of treaties and other international agreements;

6 Prepares reports and messages for submission of treaties to the Senate;

7 Provides current and long range planning on all treaty matters, in collaboration with other offices concerned.

**L Legislative Counsel.**

1 Maintains relations with the Congress and serves

as the principal point of coordination for all liaison activities between the Department and the Congress;

2 Provides legal guidance to offices and divisions of the Department concerned with legislative action (including the advice and consent of the Senate to the ratification of treaties and conventions) in connection with the Department's programs or projects;

3 Assists in the preparation of legislation and directs the coordination of its presentation to the Congress in conjunction with and on approval of the Assistant Secretaries as to policy affecting their respective fields of responsibility;

4 Clears all reports to Congress that are transmitted or approved on behalf of the Department;

5 Receives in the first instance all requests, oral or written, for expressions of opinion on pending or proposed legislation excepting those instances where contact is made directly with the Office primarily concerned with such pending or proposed legislation. Where these exceptions occur, the Legal Adviser is to be kept fully advised of all developments consequent thereto;

6 Clears all communications prepared in response to requests for comment on pending or proposed legislation, all communications between the Department and other government departments and agencies regarding such legislation and in general all communications pertaining to pending or proposed legislation, treaties or conventions which are addressed by the Department to the Congress, to chairmen of committees and to individual members;

7 Clears all replies to oral or written requests from the Bureau of the Budget for the views of the Department on enrolled enactments of the Congress, proposed or pending legislation, and Executive Orders.

**II ORGANIZATION.** The Office of the Legal Adviser consists of the following:

A The immediate office of the Legal Adviser including the office of his Executive Assistant (Le).

**B Special Assistants.**

1 Special Assistant to the Legal Adviser for Atomic Energy Matters (Le).

2 Special Assistant to the Legal Adviser for German-Austrian Affairs (Le).

C Assistant Legal Adviser for Political Affairs (Le/P).

D Assistant Legal Adviser for International Organization Affairs (Le/I).

E Assistant Legal Adviser for International Claims (Le/C).

F Assistant Legal Adviser for Economic Affairs (Le/E).

G Assistant Legal Adviser for Administration and Foreign Service (Le/A).

H Assistant Legal Adviser for Military Affairs and Occupied Areas (Le/M).

I Assistant Legal Adviser for Public Affairs (Le).

J Assistant Legal Adviser for Special Problems (Le/S).

K Assistant for Treaty Affairs (Le/T).

L Legislative Counsel (AA/L).

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# Contributors

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# *The Department of State*

# Bulletin

Vol. XVI, No. 409

May 4, 1947

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# *The Department of State* bulletin

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*The Department of State BULLETIN, a weekly publication compiled and edited in the Division of Publications, Office of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes press releases on foreign policy issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.*

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## UNITED STATES TRUSTEESHIP FOR THE TERRITORY OF THE PACIFIC ISLANDS

by Robert R. Robbins

*This article traces the steps in the development of the trusteeship agreement for the former Japanese Mandated Islands which was approved by the Security Council on April 2, 1947. Only congressional authorization to accept on behalf of the United States is now required to approve and bring into force the trusteeship agreement for the Territory of the Pacific Islands.*

The Security Council of the United Nations has completed its deliberations on the United States draft trusteeship agreement for the former Japanese Mandated Islands. By a unanimous vote on April 2, 1947, it approved, with but four minor changes, the text of the agreement proposed by the United States and submitted to the Secretary-General by the United States Representative in the Security Council on February 17, 1947. The final acceptance of the agreement without substantial changes was reached only after full acceptance of the United States view that the matter of trusteeship for the former Japanese Mandated Islands does not depend upon, and need not await, the general peace settlement with Japan.

According to article 16 of the agreement, the approval by the Government of the United States after due constitutional process is also required as well as that of the Security Council, which has already been given, before the agreement comes into force. When that process is completed, the jurisdiction which the United States now exercises under military government in the mandated Marianas, Caroline, and Marshall Islands of the central Pacific will be transformed and established within the international trusteeship system of the United Nations.

A review of the problem of trusteeship and non-self-governing territories in Allied consultations during the war, the initiative by the United States on this issue, and the constructive leadership it exercised throughout the prolonged deliberations which culminated in the writing of chapters XI, XII, and XIII into the Charter of the United Nations at the San Francisco conference is set forth in an earlier issue of the BULLETIN.<sup>1</sup> A more recent BULLETIN article<sup>2</sup> deals with the inauguration of the trusteeship system provided for by the Charter and the organization of the Trusteeship Council following the approval by the General Assembly in December 1946 of trusteeship agreements for eight non-strategic territories, all of which were formerly mandates under the League of Nations. The most recent step in the development of the international trusteeship system is the action taken by the Security Council to place the former Japanese Mandated Islands under trusteeship. To

<sup>1</sup> Ralph J. Bunche, "Trusteeship and Non-Self-Governing Territories in the Charter of the United Nations", BULLETIN of Dec. 30, 1945, p. 1037.

<sup>2</sup> Elizabeth H. Armstrong and William I. Cargo, "The Inauguration of the Trusteeship System of the United Nations", BULLETIN of Mar. 23, 1947, p. 511.

this end, the United States submitted the draft trusteeship agreement which may now be considered in the light of its recent approval by the Security Council.

At the outset of any discussion concerning the disposition of the former Japanese Mandated Islands, it is useful to bear in mind the nature and extent of these islands and the historical facts which led up to the assumption of United States jurisdiction over them.

### **The Isles of Micronesia**

The islands of Micronesia are sometimes considered as an archipelago of great extent which lies just north of the Equator in the central Pacific. The archipelago contains three groups of islands which stretch fully 2,600 miles from east to west, and about 500 miles in greatest width. The island groups are: the Marshall Islands, including Kwajelein, Eniwetok, and Majuro, which lie about 1,500 miles southwest of Hawaii; the Caroline Islands, including Kusaie, Ponape, Truk, Ulithi, Yap, and the Palaus, the latter extending to within several hundred miles of the Philippines; and the Marianas Islands, including Saipan and Tinian in addition to the United States possession of Guam, extending northward to within 1,000 miles of Japan proper.<sup>3</sup> With respect to the area, population, and economy of the islands, the United States Representative in the Security Council stated on February 26, 1947, that "The Japanese Mandated Islands—the Marshalls, Marianas, and Carolines—consist of some 98 islands and island clusters with a total land mass of only 846 square miles, a total population of only about 48,000 native inhabitants, and negligible indigenous economic resources."<sup>4</sup>

Many of the isles of Micronesia were discovered by Spanish navigators during the sixteenth century. In 1565 Spain annexed the Marianas. It was only in the latter part of the nineteenth century, however, that the islands of the central Pacific acquired international political signifi-

<sup>3</sup> Also included in the Pacific area of Micronesia are the Gilbert Islands, which lie across the Equator, and the mandated island of Nauru, which lies just south of the Equator.

<sup>4</sup> BULLETIN of Mar. 9, 1947, p. 416.

<sup>5</sup> *Foreign Relations*, The Paris Peace Conference, 1919, vol. XIII, pp. 97-98, 103-104, 277-278. (Department of State publication 2757.)

cance. Germany took possession of the Marshalls in 1885. The Spanish flag was raised over the Carolines the following year. In 1898, at the close of the Spanish-American War, the United States acquired Guam. In 1899 Germany purchased the remaining Marianas and all of the Carolines from Spain and remained in possession of these and the Marshalls until World War I. In October 1914 Japanese forces occupied all the German islands in Micronesia except Nauru, which was occupied by the Australians.

By article 119 of the Treaty of Versailles, Germany renounced in favor of the Principal Allied and Associated Powers all her rights and titles over her overseas possessions. These colonies, described in paragraphs 5 and 6 of article 22 of the Covenant of the League of Nations, were subsequently administered under "B" and "C" mandates. On May 7, 1919, the territories referred to were allocated to mandatories for administration under the terms of article 22 by a decision of representatives of the United States, France, Great Britain, and Italy. The decision included the following stipulation regarding the German islands north of the Equator: "The mandate shall be held by Japan." The United States, on November 9, 1920, declared to the other governments to which Germany renounced her colonies that "at the previous request of President Wilson" at the Paris Peace Conference and in the hope that it might be made available by agreement as an international cable station, "it is the understanding of the Government that the Island of Yap was not included in the action of the Supreme Council on May 7, 1919."

In as much as the Governments of Great Britain, France, Italy, and Japan did not share that understanding, correspondence ensued which involved the terms of the mandate under which Japan was to administer the former German islands north of the Equator. The Governments of the United States and Japan reached an agreement with regard to the temporary operation of the Naba-Yap-Guam cables, with the consent of Great Britain, France, and Italy. This agreement was evidenced by Executive Order No. 3600, December 24, 1921, and an exchange of notes of January 30 and February 4, 1922.<sup>5</sup>

Japan was assigned a class "C" mandate over the former German islands in the Pacific Ocean north

of the Equator. Specific obligations were imposed upon the mandatory power, notably to promote to the utmost the material and moral well-being and the social progress of the natives, to prohibit slavery and forced labor, to control traffic in arms, to exclude alcoholic beverages, to permit freedom of worship and missionary activities, to refrain from building fortifications and military bases, and to submit an annual report to the League of Nations. On these terms Japan was confirmed as the mandatory power by the Council of the League of Nations on December 17, 1920.

United States arrangements with Japan for communication facilities were further recorded in the treaty with Japan regarding rights in former German islands in the Pacific Ocean north of the Equator, and in particular the Island of Yap, signed at Washington February 11, 1922, and brought into force July 13, 1922.

The islands under mandate attracted little international attention until rumors gained currency in 1932 that Japan was fortifying some of the islands, notably Truk, in violation of the mandate. Japan categorically denied such reports and successfully avoided international investigation. In 1933 the fortification issue became subordinate to Japan's notice of intention to withdraw from the League and resulting discussion of her right to continue as mandatory upon ceasing to be a member of the League. Japan remained in the mandated territory after her withdrawal became final in 1935 and continued to submit annual reports to the League through the year 1938. Meanwhile, no League member raised officially the question of Japan's right to continue as mandatory power. After 1938 the islands were increasingly treated by Japan as a closed military area.

### **The Islands During the War**

Upon the outbreak of World War II, Japan's rapid movement south and eastward into the Pacific at the same time her forces were overrunning southeastern Asia revealed with grim clarity the extent to which military preparations had been undertaken and operations projected which included use of the mandated islands as bases for aggression to the south and east. Japanese eastward aggression reached its apogee in the attack on Pearl Harbor on December 7 and the hard-won landings at Wake Island on December 22, 1941. Guam fell to the aggressor on December 12.

Within less than three months, however, American naval units were engaging in defensive operations devised almost exclusively for protecting our shores and lines of communication from the enemy. Operations of this type in the central Pacific began by the raid on the Marshall and Gilbert Islands on February 1, 1942. Our victory in the Battle of Midway<sup>6</sup> of June 3-6 removed the threat to Hawaii and the American west coast.

Over the next two years defensive operations gradually changed to full offensive attacks on enemy positions. In the autumn of 1943 carrier-based air strikes on Marcus, Tarawa, Apamama, and Wake Islands served to soften Japanese installations and keep the enemy guessing as to where the next full-scale attack would be delivered. Makin Island was captured on November 22, and after a four-day assault the heavily fortified island of Tarawa was taken on November 24, 1943. At the end of January 1944, large-scale offensive operations were undertaken in the Marshalls which continued throughout February. In the following two months extensive task-force raids were carried out in the western, central, and eastern Carolines. Heavy attacks on Truk and Ponape at the end of April were delivered by the fast-carrier task force returning from support of the Hollandia operation. The Marianas Islands operation took place during the summer of 1944 and resulted in the capture of Saipan, Guam, and Tinian, and the neutralization of the other islands of the Marianas. The western Carolines operation opened in September. Heavy assaults and stiffly resisted landings on Peleliu Island on September 15 were the principal steps in neutralizing all the Palau Islands. Thus, in part, the way was prepared for executing plans for the reoccupation of the Philippines and subsequent operations calculated to bring about the total defeat of Japan.

The Japanese Mandated Islands thus loomed large in the war in the Pacific. The foregoing chronology of naval operations<sup>7</sup> recalls to mind

<sup>6</sup> The Korean Admiral Yi-San defeated the fleet of the Japanese Shogun Hideyoshi off the Korean coast in 1592. In this connection the statement has been made that the Battle of Midway was the first defeat suffered by the Japanese Navy in 350 years, which gives the false impression that there was a Japanese Navy in existence throughout that period.

<sup>7</sup> *U.S. Navy at War 1941-1945*, Official Reports to the Secretary of the Navy by Commander in Chief, United States Fleet, and Chief of Naval Operations (Washington, 1946), *passim*.

the magnitude of the price in human lives, effort, and matériel required to wrest them from the enemy. No member of the United Nations has suggested that Japan should ever be reestablished in them.

#### **Present Status of Japanese and Japanese Mandated Islands**

The Cairo Declaration of December 1, 1943, stated that:

" . . . Japan shall be stripped of all the islands in the Pacific which she has seized or occupied since the beginning of the first World War in 1914, and that all the territories Japan has stolen from the Chinese, such as Manchuria, Formosa, and the Pescadores, shall be restored to the Republic of China. Japan will also be expelled from all other territories which she has taken by violence and greed."

This declaration was reaffirmed by the proclamation issued by the heads of the Governments of the United States, China, and the United Kingdom on July 26, 1945, at Potsdam, and subsequently adhered to by the Union of Soviet Socialist Republics.<sup>8</sup> Article 8 of the Potsdam Declaration stated:

"(8) The terms of the Cairo Declaration shall be carried out and Japanese sovereignty shall be limited to the islands of Honshu, Hokkaido, Kyushu, Shikoku and such minor islands as we determined."

On September 2, 1945, Japan accepted these terms by the Instrument of Surrender.<sup>9</sup>

The application of the surrender terms to the islands of the Pacific formerly under the jurisdiction of Japan resulted in the United States acquiring responsibility for the present administration of a large number of them. United States military government is maintained at present in all outlying Japanese islands except the Kuriles and Southern Sakhalin, now under the control of the Government of the Soviet Union, and in Formosa, which is under the jurisdiction of China. The authority of General of the Army MacArthur extends to the

Ryukyu and Izu Islands which lie south and southeast of the main Japanese islands. All the other Japanese islands to the south and the former Japanese Mandated Islands are administered by the United States Navy under directives issued by the Joint Chiefs of Staff.

The position of the United States regarding the outlying Japanese islands and Japanese Mandated Islands has been clearly stated by President Truman, who announced on November 6, 1946: "The United States is prepared to place under trusteeship, with the United States as the administering authority, the Japanese Mandated Islands and any Japanese islands for which it assumes responsibilities as a result of the second World War."<sup>10</sup> The President also stated that at an early date the United States planned to submit formally to the Security Council of the United Nations a draft trusteeship agreement for the former Japanese Mandated Islands.

#### **Submission of the Trusteeship Agreement**

The draft trusteeship agreement<sup>11</sup> to which the President referred was developed after long and careful consultations by the State, War, and Navy Departments. It contained the provisions whereby the United States was prepared to place the former Japanese Mandated Islands under international trusteeship. The draft agreement was made public on November 6, 1946, and copies were transmitted for information to the other members of the Security Council (Australia, Brazil, China, Egypt, France, Mexico, the Netherlands, Poland, the Union of Soviet Socialist Republics, and the United Kingdom) and to New Zealand and the Republic of the Philippines, and were later transmitted to the newly elected members of the Security Council (Belgium, Colombia, and Syria).

It was believed by some governments that the matter should be held over until the peace treaty with Japan. The United States maintained that it was proposing the agreement in full compliance with the trusteeship provisions of the Charter and was acting on the recommendation of the General Assembly of February 1946 which invited states administering former mandated territories to submit trusteeship proposals. Therefore, it saw no reason why this matter should be postponed, but was willing, after the formal presentation of its

<sup>8</sup> BULLETIN of July 29, 1945, p. 137.

<sup>9</sup> BULLETIN of Sept. 9, 1945, p. 364.

<sup>10</sup> BULLETIN of Nov. 17, 1946, p. 889.

<sup>11</sup> For text of the draft agreement see BULLETIN of Nov. 17, 1946, p. 889.

trusteeship proposals, to consider such postponement as the Security Council might deem necessary.

On February 17, 1947, the text of the draft trusteeship agreement was submitted by the United States Representative to the United Nations, Warren R. Austin, to the Secretary-General with a request that the matter be placed on the agenda of the Security Council at an early date.<sup>12</sup> The matter was placed on the provisional agenda for the 113th meeting of the Security Council.<sup>13</sup> The United States submitted the draft trusteeship agreement for approval by the Security Council, rather than by the General Assembly, because under its terms the territory is designated as strategic. This is in accordance with article 82 of the Charter, which provides that "There may be designated, in any trusteeship agreement, a strategic area or areas which may include part or all of the trust territory . . .", and article 83, which states that "All functions of the United Nations relating to strategic areas, including the approval of the terms of the trusteeship agreements . . . shall be exercised by the Security Council."

#### **Consideration by the Security Council**

Mr. Austin formally submitted the United States draft trusteeship agreement to the Security Council on February 26, 1947.<sup>14</sup> At the same time he submitted to the Security Council a paper containing the text of the draft agreement with article-by-article explanatory comments.<sup>15</sup> The Security Council began consideration of the draft trusteeship agreement on March 7, 1947, and discussions on the question were continued at four later meetings held on March 12, 17, and 28, and April 2, 1947.

At the 116th meeting of the Security Council the Australian Representative proposed that the decision of the Security Council should be finally confirmed at the peace conference settling the Pacific war, and that states not members of the Security Council who were belligerents in that war should have an opportunity to discuss the terms of trusteeship. As indicated below, the first of these propositions was later withdrawn. In regard to the second proposition the Australian Representative proposed that a committee of the Council be established for the purpose of considering in detail

the draft trusteeship agreement; and that the committee should consist of representatives of countries having a direct interest in the future of the Japanese Mandated Islands, including representatives of such countries, not members of the Security Council, who might be invited to participate in the discussion of the question in accordance with article 31 of the Charter.

In reply to this proposition the United States Representative stated: "Four months ago, the countries who are not members of this Security Council were delivered copies for the purpose of studying them. This conduct was consistent with the principles and policies of the United States." In conclusion he asked: "Why is it that the Council is asked to take such action as this that is proposed here if these countries who have had notice, and if other countries who have not had notice but who have lived in circumstances where they are really charged with knowledge, have none of them—not one single one—come forward and asked to be heard? Why are we asked to pass that? I regret it very much, but I think it would not be acting equitably to pass this resolution."

In responding to this statement the Australian Representative declared that Australia's policy has been to support the United States policy in obtaining control of the islands, and that it was surprising that his resolution should be interpreted as an attempt to interfere with the attainment of that objective.

As debates<sup>16</sup> on the issue continued, communications were received from the Governments of New Zealand and India requesting, under article 31 of the Charter, that they be allowed to participate in the discussions. The New Zealand Government also requested that those members of the Far Eastern Commission not represented in the Security Council be invited to participate, if they so desired, in the discussions. At its 118th meet-

<sup>12</sup> U.N. doc. S/281, Feb. 17, 1947.

<sup>13</sup> U.N. doc. S/287, Feb. 21, 1947.

<sup>14</sup> The complete statement by Mr. Austin in the Security Council is found in the *BULLETIN* of Mar. 9, 1947, p. 416.

<sup>15</sup> *BULLETIN* of Mar. 9, 1947, p. 420.

<sup>16</sup> Verbatim records of the Security Council discussions on the U. S. draft trusteeship agreement for the former Japanese Mandated Islands are contained in the following U. N. documents (1947) : S/P. V. 113, Feb. 26; S/P. V. 116, Mar. 7; S/P. V. 118, Mar. 12; S/P. V. 119, Mar. 17; S/P. V. 123, Mar. 28; S/P. V. 124, Apr. 2.

ing the Security Council decided to grant these requests. Mr. Austin stated that the United States freely assented to the issuance of the proposed invitations, and Mr. Hasluck, the Australian Representative, treating the statement as a proposal, promptly supported it. The Security Council accordingly invited Canada, India, the Netherlands, New Zealand, and the Republic of the Philippines to be represented at subsequent discussions on the United States draft trusteeship agreement. The views of all of these states, whose representatives took an active part in the deliberations, were heard at the Council's table.

In a five-and-one-half-hour session on April 2, 1947, the Security Council reconsidered the entire agreement article by article. Well along in the discussions, during the debate on article 15 of the agreement, the Representative of Syria stated that the Council "was not giving implementation or the correct execution of article 79 of the Charter", because it "was paying no attention or no consideration at all to the States directly concerned." He believed "that the matter ought to be studied further in order to have this part of the work better understood and better defined." He moved to adjourn the meeting and to fix another meeting the following week so that all the representatives participating in the discussions might be able to study the matter and prepare a full discussion on the point of which are the "States directly concerned". This motion was lost by a 5 to 6 vote, which permitted the discussions to continue until the final vote on the agreement was taken.

In voting on proposed amendments the United States Representative followed the rule of casting a vote when the United States vote would be in the affirmative, and abstaining from voting in cases wherein the United States did not favor the proposal before the Council. He abstained, therefore, from voting on proposals to revise article 8(1) and article 15. Prior to the voting on each of these articles, the United States Representative declared that the United States would not veto the amendment. He made it clear in both cases, however, that if the United States had a vote it would, of course, vote "no". Thus, in advance of his first abstention, he stated that, "On questions such as this, it is perfectly clear—to us anyway—that the United States, when it may be obliged in view of its responsibilities to withdraw the tender of an agreement, should certainly not

exercise a veto in the Security Council also." Prior to his second abstention he said, "The United States being a party to the agreement, all I can do is, with the utmost modesty, state that an amendment in the nature of that proposed . . . probably could not be accepted by the United States as a party to the agreement."

At the close of the 124th meeting, the Security Council voted on the agreement as a whole, noting the various changes which had been passed. The Council approved unanimously the United States draft agreement including three minor amendments which had been accepted by the United States Representative upon instructions from his Government. The three amendments in the text of the agreement are as follows:

1. *Article 3.* An amendment was proposed by the Representative of the Union of Soviet Socialist Republics to delete the words *as an integral part of the United States*. Upon accepting this amendment at the 116th meeting of the Security Council, the United States Representative said, *inter alia*: "In agreeing to this modification, my Government feels that it should affirm for the record that its authority in the trust territory is not to be considered in any way lessened thereby."

2. *Article 6(1).* An amendment was proposed by the Representative of the Union of Soviet Socialist Republics, and revised in the Council, to add after the words *toward self-government* the words *or independence as may be appropriate to the particular circumstances of the trust territory and its peoples and the freely expressed wishes of the peoples concerned*. In accepting modification in article 6(1) at the 116th meeting of the Security Council, the United States Representative declared that "the United States feels that it must record its opposition not to the principle of independence, to which no people could be more consecrated than the people of the United States, but to the thought that it could possibly be achieved within any foreseeable future in this case."

3. *Article 6(1).* An amendment was suggested by the Representatives of New Zealand and India and introduced on behalf of the latter at the 124th meeting of the Security Council, to delete the word *local* from the phrase *in local government*; . The observation of the Representative of India at the 124th meeting in behalf of this deletion was that in certain countries the word *local* connotes mu-



municipal government, and that surely would not be the intention of the Representative of the United States.

In the final consideration of the United States trusteeship proposals, the original text of articles 1, 2, 4, 5, 9, 10, 11, 12, 14, and 19 was approved in each case without objection or comment. The United States Representative, Mr. Austin, requested that article 6(2) be perfected by putting a comma in the second line after the word *inhabitants*. He also requested that article 7 be perfected as follows:

*"Article 7. In discharging its obligations under Article 76(c), of the Charter, the administering authority shall guarantee to the inhabitants of the trust territory freedom of conscience, and, subject only to the requirements of public order and security, freedom of speech, of the press, and of assembly; freedom of worship, and of religious teaching; and freedom of migration and movement."*

Mr. Austin stated: "The significance of this perfection of the article is that it moves up freedom of conscience so that it will not be subject to the requirements of public order and security."

The approval of the trusteeship agreement with the three minor amendments and these two slight changes followed the withdrawal or rejection of several other proposed amendments as follows:

1. *The Preamble.* Discussions on the preamble concerned three alternative versions—suggested by Poland, the Netherlands, and the United States—of an amendment proposed originally by the Representative of Poland at the 116th meeting of the Security Council. This proposal was to add the following phrase to paragraph four: "Whereas Japan has violated the terms of the above-mentioned mandate of the League of Nations and has thus forfeited her mandate . . .". The United States Representative endorsed this proposal, but the amendment was reconsidered at the 124th meeting. The Netherlands Representative proposed that the amendment read: "Whereas, as a result of the signature by Japan of an act of unconditional surrender, the mandate held by Japan for these islands has come to an end". As a compromise, the United States Representative proposed the following wording: "Whereas the mandate held by Japan for these islands has come to an end". After failure to reach agreement on these alterna-

tive proposals, the original wording of the Preamble was approved unanimously.

2. *Article 8(1).* The United Kingdom Representative proposed an amendment to article 8(1) to delete the phrase *except the administering authority*, holding that the inclusion of these words would give preferential position to the United States, which did not seem to be in strict accordance with articles 83(2) and 76(d) of the Charter. He asked whether the phrase in article 83(3) *without prejudice to security considerations* would not really give the United States sufficient safeguard. After replying to this question in the negative, the United States Representative stated for the record:

" . . . the United States Government has no intention, through this clause or any other clause, of taking advantage for its own benefit, and to the detriment of the welfare of the inhabitants, of the meager and almost non-existent resources and commercial opportunities that exist in the scattered and barren islands. The nature of this proposed clause is dictated by the fact that these islands are proposed as a strategic trusteeship area and by the obligations which the administering authority will assume under the Charter 'to further international peace and security' and to insure that the territory itself 'shall play its part' in the maintenance of international peace and security."

3. *Article 13.* The United Kingdom Representative proposed a redraft of article 13 to read:

"The provisions of article 87 and 88 of the Charter shall be applicable to the trust territory, provided that the administering authority may at any time inform the Security Council, in accordance with article 83(3) of the Charter, that security considerations do not permit the exercise of the functions of the Trusteeship Council in regard to specific areas."

He did not insist on this amendment, however, because the United States Representative stated for the record that the United States contemplates that notification shall be made to the Security Council whenever the proviso that is contained in article 13 comes into use.

4. *Article 15.* Extended debate took place before reaching agreement on article 15. Two formal amendments to this article were presented by the Representatives of Poland and the Union of Soviet Socialist Republics. The Soviet amendment was

to make article 15 read as follows: "The terms of the present agreement may be altered and amended or the terms of its validity discontinued by decision of the Security Council." The Polish amendment was to modify article 15 to read: "The terms of the present agreement shall not be altered, amended or terminated except as provided by the Charter." At an earlier meeting the United States Representative indicated a willingness to accept the following text as a compromise: "The terms of the present agreement shall not be altered, amended, or terminated except by agreement of the administering authority and the Security Council." Following the rejection of the Soviet and Polish amendments he indicated that the United States compromise proposal was not now pending. Thus, there was pending only the original article 15 which the Council voted to accept.

5. *Proposed Article 17.* An issue debated at length in the Security Council was embodied in an amendment proposed by Australia to add an article 17 to the agreement which would have delayed its coming into force until the effective date of the peace treaty with Japan. The view thus expressed was supported by the United Kingdom and by New Zealand. The United States Representative argued most forcefully against this proposal, which would have left the agreement in suspense for an indefinite period. He emphasized throughout the debates the basic contention of the United States Government that the matter did not depend upon, and need not await, the general peace settlement with Japan. Following the Security Council's decision to widen its discussions

to include representatives of Canada, India, the Netherlands, and the Republic of the Philippines for the purpose of stating their views on the United States trusteeship proposals, the Australian Representative stated: "The result of this will be to extend the Security Council, for the time being, into a small replica of the Conference of Nations which would be entitled, as a matter of justice and democratic right, to participate in the final settlement with Japan." For this reason and in the interests of a unanimous decision, the Australian-proposed amendment to add a new article 17 was withdrawn.

According to article 16 of the agreement, the Security Council having approved the terms of trusteeship, only the approval by the United States in accordance with its constitutional process is now required to bring the trusteeship agreement into force. When that is accomplished, the islands of Micronesia formerly mandated to Japan will be known officially, according to article 1 of the agreement, as the Territory of the Pacific Islands. The coming into force of the trusteeship agreement will require a change in the membership of the Trusteeship Council. Article 86(1)(c) of the Charter provides that the number of members of the Trusteeship Council is to be equally divided between those members of the United Nations which administer trust territories and those which do not. Hence, when the United States is confirmed as the administering authority of the Trust Territory of the Pacific Islands, it will be necessary for the General Assembly to elect two additional members which do not administer trust territories.

# Trusteeship Agreement for the Former Japanese Mandated Islands<sup>1</sup>

## APPROVED AT THE 124th MEETING OF THE SECURITY COUNCIL

### *Preamble*

WHEREAS Article 75 of the Charter of the United Nations provides for the establishment of an international trusteeship system for the administration and supervision of such territories as may be placed thereunder by subsequent agreements; and

WHEREAS under Article 77 of the said Charter the trusteeship system may be applied to territories now held under mandate; and

WHEREAS on 17 December 1920 the Council of the League of Nations confirmed a mandate for the former German islands north of the equator to Japan, to be administered in accordance with Article 22 of the Covenant of the League of Nations; and

WHEREAS Japan, as a result of the Second World War, has ceased to exercise any authority in these islands;

Now, therefore, the Security Council of the United Nations, having satisfied itself that the relevant articles of the Charter have been complied with, hereby resolves to approve the following terms of trusteeship for the Pacific Islands formerly under mandate to Japan.

### *Article 1*

The Territory of the Pacific Islands, consisting of the islands formerly held by Japan under mandate in accordance with Article 22 of the Covenant of the League of Nations, is hereby designated as a strategic area and placed under the trusteeship system established in the Charter of the United Nations. The Territory of the Pacific Islands is hereinafter referred to as the trust territory.

### *Article 2*

The United States of America is designated as the administering authority of the trust territory.

### *Article 3*

The administering authority shall have full powers of administration, legislation, and juris-

diction over the territory subject to the provisions of this agreement,<sup>2</sup> and may apply to the trust territory, subject to any modifications which the administering authority may consider desirable, such of the laws of the United States as it may deem appropriate to local conditions and requirements.

### *Article 4*

The administering authority, in discharging the obligations of trusteeship in the trust territory, shall act in accordance with the Charter of the United Nations, and the provisions of this agreement, and shall, as specified in Article 83(2) of the Charter, apply the objectives of the international trusteeship system, as set forth in Article 76 of the Charter, to the people of the trust territory.

### *Article 5*

In discharging its obligations under Article 76(a) and Article 84, of the Charter, the administering authority shall ensure that the trust territory shall play its part, in accordance with the Charter of the United Nations, in the maintenance of international peace and security. To this end the administering authority shall be entitled:

1. to establish naval, military and air bases and to erect fortifications in the trust territory;
2. to station and employ armed forces in the territory;
3. to make use of volunteer forces, facilities and assistance from the trust territory in carrying out the obligations towards the Security Council undertaken in this regard by the administering authority, as well as for the local defense and the maintenance of law and order within the trust territory.

<sup>1</sup> See document S/281 for the original draft agreement submitted by the Representative of the United States. [Footnote in the original, document S/318, Apr. 2, 1947.]

See BULLETIN of Nov. 17, 1946, p. 889; Mar. 9, 1947, p. 416; and Mar. 23, 1947, p. 511.

<sup>2</sup> In the final text approved by the Security Council on Apr. 2, 1947, article 3 was amended by deletion of the phrase *as an integral part of the United States*.

## Article 6

In discharging its obligations under Article 76(b) of the Charter, the administering authority shall:

1. foster the development of such political institutions as are suited to the trust territory and shall promote the development of the inhabitants of the trust territory toward self-government<sup>3</sup> or independence as may be appropriate to the particular circumstances of the trust territory and its peoples and the freely expressed wishes of the peoples concerned; and to this end shall give to the inhabitants of the trust territory a progressively increasing share in the administrative services in the territory; shall develop their participation in<sup>4</sup> government; shall give due recognition to the customs of the inhabitants in providing a system of law for the territory; and shall take other appropriate measures toward these ends;

2. promote the economic advancement and self-sufficiency of the inhabitants, and to this end shall regulate the use of natural resources; encourage the development of fisheries, agriculture, and industries; protect the inhabitants against the loss of their lands and resources; and improve the means of transportation and communication;

3. promote the social advancement of the inhabitants and to this end shall protect the rights and fundamental freedoms of all elements of the population without discrimination; protect the health of the inhabitants; control the traffic in arms and ammunition, opium and other dangerous drugs, and alcohol and other spiritous [*squirituous*] beverages; and institute such other regulations as may be necessary to protect the inhabitants against social abuses; and

4. promote the educational advancement of the inhabitants, and to this end shall take steps toward the establishment of a general system of elemen-

tary education; facilitate the vocational and cultural advancement of the population; and shall encourage qualified students to pursue higher education, including training on the professional level.

## Article 7

In discharging its obligations under Article 76(c) of the Charter, the administering authority shall guarantee to the inhabitants of the trust territory freedom of conscience,<sup>5</sup> and, subject only to the requirements of public order and security, freedom of speech, of the press, and of assembly; freedom of worship, and of religious teaching; and freedom of migration and movement.

## Article 8

1. In discharging its obligations under Article 76(d) of the Charter, as defined by Article 83(2) of the Charter, the administering authority, subject to the requirements of security, and the obligation to promote the advancement of the inhabitants, shall accord to nationals of each Member of the United Nations and to companies and associations organized in conformity with the laws of such Member, treatment in the trust territory no less favourable than that accorded therein to nationals, companies and associations of any other United Nation except the administering authority.

2. The administering authority shall ensure equal treatment to the Members of the United Nations and their nationals in the administration of justice.

3. Nothing in this Article shall be so construed as to accord traffic rights to aircraft flying into and out of the trust territory. Such rights shall be subject to agreement between the administering authority and the state whose nationality such aircraft possesses.

4. The administering authority may negotiate and conclude commercial and other treaties and agreements with Members of the United Nations and other states, designed to attain for the inhabitants of the trust territory treatment by the Members of the United Nations and other states no less favourable than that granted by them to the nationals of other states. The Security Council may recommend, or invite other organs of the United Nations to consider and recommend, what rights the inhabitants of the trust territory should

(Continued on page 794)

<sup>3</sup> As finally approved by the Security Council on Apr. 2, 1947, article 6(1) was amended to add after the words *toward self-government*, the words *or independence as may be appropriate to the particular circumstances of the trust territory and its peoples and the freely expressed wishes of the peoples concerned*.

<sup>4</sup> Article 6(1) was also amended by deletion of the word *local* in the phrase *in local government*.

<sup>5</sup> As finally approved by the Security Council of Apr. 2, 1947, the text of article 7 contains a slight revision, requested by the United States Representative, whereby *freedom of conscience* is moved forward so that it is not subject to the requirements of public order and security.

## Moscow Meeting of the Council of Foreign Ministers: Discussion of German and Austrian Draft Treaties

### STATEMENTS BY THE SECRETARY OF STATE

#### Reiteration of Position on Disarmament and Demilitarization of Germany<sup>1</sup>

The United States proposal for a Four Power treaty for the disarmament and demilitarization of Germany which we discussed here is not mentioned in the Deputies' report. I am not suggesting that it be included. The principle involved is in my opinion too fundamental to be referred to any subordinate body. I do not intend to repeat all the various considerations which led the Government of the United States to propose this treaty, nor the reasons why it attaches the greatest importance to this subject. I will only state that the United States Government regards very seriously what in effect is the virtual rejection of this treaty by the Soviet Government. I say rejection because the redraft proposed by Mr. Molotov introduces into the treaty nearly every important difference which exists between the Four Powers on the subject of Germany, and thus renders obviously impossible any hope of concluding such a treaty at this time.

An agreement in principle here along the lines proposed by the United States would have been indication to the world that despite the character and extent of our disagreements on other aspects of the German problem, the Four Powers represented at this table were at least united in their determination to prevent the revival of Germany's capacity to make war. The advantages of such a clear demonstration of Allied intentions, not only on the future solution of other problems connected with Germany but on the whole international situation, appear so obvious that the United States finds it difficult to understand the reasons which account for the Soviet Government's declining to agree. Although we must face the fact that because of this attitude there is no prospect of an agreement on this treaty at this conference, the

United States is not withdrawing its proposal for such a treaty.

#### Position on Treaty for Reestablishment of Independent and Democratic Austria<sup>1</sup>

I should like to turn again to the matter of the Austrian treaty. I think we must decide now whether we can or cannot conclude the Austrian treaty here. As Mr. Molotov has several times made clear, the main outstanding issue is article 35, dealing with German assets in Austria. The British, French, and American Delegations have put forward various proposals in an effort to meet as far as possible the Soviet position. I refer particularly to the last proposal put forward by the United States Delegation last week and that put forward by the British Delegation yesterday. There is no substantial difference in the views of the British, French, and American Delegations on this subject.

The Soviet Delegation, according to my understanding, has not in any substantial way withdrawn from the proposal it made at the session of the Deputies in London last February. The views expressed by the Soviet Delegation have widened rather than narrowed our differences. The three other delegations have made clear that they cannot accept the Soviet proposal because it would oblige the Austrian Government to hand over not only *bona fide* German assets but property which the Germans had taken from Austrians and others by fraud and duress. We do not believe that the Soviet proposal on German assets in Austria is consistent with the pledge made at Potsdam that no reparations would be taken from Austria, and with the pledge made in article

<sup>1</sup> Made on Apr. 23, 1947, and released to the press in Moscow on the same date, and in Washington on Apr. 24. The Council concluded its Moscow session on Apr. 24.

1 of the Austrian treaty,<sup>2</sup> to reestablish Austria as a sovereign, independent, and democratic state. The three other delegations have urged the Soviet Delegation to submit proposals which would meet this objection, but despite our urging no new proposal has been offered us by the Soviet Delegation.

It is clear now that no agreement can be reached on the Austrian treaty if the Soviet Delegation is unwilling to make any greater effort than it has made so far to reach an understanding on German assets in Austria. Unless, therefore, the Soviet Delegation has some concrete proposal to make on this subject, which will make clear that German assets do not include assets which in justice and equity should be restored to non-Germans, we must accept the fact that further progress in the Austrian treaty is impossible at this conference.

I have one further suggestion to make. If we are unable to reconcile our views before the meeting of the General Assembly of the United Nations in September, I hope that we may join in asking the General Assembly to make recommendations on this subject under article 14. It is our view that we should not permit differences among us to deny to Austria her independence and her right to be free from the burdens of occupation.

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**Trusteeship Agreement**—*Continued from page 792*

acquire in consideration of the rights obtained by Members of the United Nations in the trust territory.

*Article 9*

The administering authority shall be entitled to constitute the trust territory into a customs, fiscal, or administrative union or federation with other territories under United States jurisdiction and to establish common services between such territories and the trust territory where such measures are not inconsistent with the basic objectives of the International Trusteeship System and with the terms of this agreement.

*Article 10*

The administering authority, acting under the provisions of Article 3 of this agreement, may accept membership in any regional advisory com-

mission, regional authority, or technical organization, or other voluntary association of states, may co-operate with specialized international bodies, public or private, and may engage in other forms of international co-operation.

*Article 11*

1. The administering authority shall take the necessary steps to provide the status of citizenship of the trust territory for the inhabitants of the trust territory.

2. The administering authority shall afford diplomatic and consular protection to inhabitants of the trust territory when outside the territorial limits of the trust territory or of the territory of the administering authority.

*Article 12*

The administering authority shall enact such legislation as may be necessary to place the provisions of this agreement in effect in the trust territory.

*Article 13*

The provisions of Articles 87 and 88 of the Charter shall be applicable to the trust territory, provided that the administering authority may determine the extent of their applicability to any areas which may from time to time be specified by it as closed for security reasons.

*Article 14*

The administering authority undertakes to apply in the trust territory the provisions of any international conventions and recommendations which may be appropriate to the particular circumstances of the trust territory and which would be conducive to the achievement of the basic objectives of Article 6 of this agreement.

*Article 15*

The terms of the present agreement shall not be altered, amended or terminated without the consent of the administering authority.

*Article 16*

The present agreement shall come into force when approved by the Security Council of the United Nations and by the Government of the United States after due constitutional process.

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<sup>2</sup> Referring to the treaty drafted at London January-February 1947 by the Foreign Ministers' Deputies.

## Special Session of General Assembly Called

### CABLE SENT BY SECRETARY-GENERAL TO MEMBER NATIONS

Trygve Lie, Secretary-General of the United Nations, cabled on April 13 the 55 members of the United Nations, calling a special session of the General Assembly for Monday, April 28, at General Assembly Hall at Flushing, to consider the Palestine question.

The cables were sent following approval of the special session by 29 countries, one more than the required majority. Affirmative replies came from Canada on April 12 and from the Philippine Republic and Turkey on April 13. The text of the cable follows:

"Have honour inform you that a majority of Members have today concurred in the request of United Kingdom to summon a special session of General Assembly. In accordance with rules 3 and 8 of provisional rules of procedure of General Assembly I hereby notify you that special session will open on Monday 28 April 1947 at eleven a.m. in General Assembly Hall Flushing Meadows New York City.

"Provisional agenda of special session follows:

"1. Opening of session by Chairman of Belgian Delegation

"2. Election and report of credentials committee

"3. Election of President

"4. Organization of the session

"5. Adoption of agenda

"6. Constituting and instructing special committee to prepare for consideration of the question of Palestine at second regular session.

"TRYGVE LIE  
"Secretary-General"

The countries which have replied up to April 13 are Australia, Brazil, Canada, China, Cuba, Czechoslovakia, Denmark, Dominican Republic, Ecuador, France, Greece, Haiti, Honduras, India, Liberia, Luxembourg, Mexico, New Zealand, Norway, Panama, Paraguay, Peru, Philippine Republic, Sweden, Turkey, Ukrainian Soviet Socialist Republic, Union of South Africa, Union of Soviet Socialist Republics, United States. All replies so far have been in favor of the proposal for a special General Assembly.

### ITEMS REQUESTED FOR AGENDA

*Text of letter from the United Kingdom Delegation to the United Nations*<sup>1</sup>

*2nd April, 1947.*

SIR:

I have received the following message from my Government:

"His Majesty's Government in the United Kingdom request the Secretary-General of the United

May 4, 1947

Nations to place the question of Palestine on the Agenda of the General Assembly at its next regular Annual Session. They will submit to the Assembly an account of their administration of the League of Nations Mandate and will ask the Assembly to make recommendations, under Article 10 of the Charter, concerning the future government of Palestine.

<sup>1</sup> General Assembly doc. A/286, Apr. 3, 1947.



"In making this request, His Majesty's Government draw the attention of the Secretary-General to the desirability of an early settlement in Palestine and to the risk that the General Assembly might not be able to decide upon its recommendations at its next regular Annual Session unless some preliminary study of the question had previously been made under the auspices of the United Nations. They therefore request the Secretary-General to summon, as soon as possible, a special Session of the General Assembly for the purpose of constituting and instructing a Special Committee to prepare for the consideration, at the regular Session of the Assembly, of the question referred to in the preceding paragraph."

I have the honour [etc.]

ALEXANDER CADOGAN

Dr. VICTOR CH1 TSAI HOO

*Assistant Secretary-General of the United Nations, Lake Success*

*Text of telegram sent on April 2, 1947, by the Acting Secretary-General to all members of the United Nations except the United Kingdom<sup>2</sup>*

Have honor notify you that on 2 April United Kingdom Government requested Secretary-General to place question of Palestine on agenda next regular session of General Assembly. In accordance with rule 4 provisional rules procedure General Assembly have honor inform you that United Kingdom Government further requested Secretary-General in view of desirability of an early settlement in Palestine to summon special session General Assembly as soon as possible for purpose of constituting and instructing a special committee to prepare for the consideration of above question at next regular session. Therefore have honor inquire whether your government concurs in summoning special session for this purpose and to request you notify me of its decision. If within 30 days majority of members concur, special session will be convoked in accordance rules 3 and

8 and provisional agenda circulated in accordance rule 11.

VICTOR HOO  
*Acting Secretary-General*

*Text of letter from the Ambassador of Iraq in the United States to the Secretary-General<sup>1</sup>*

21 April 1947.

EXCELLENCY:

I have the honor to inform you that I have been instructed by my Government to request you, in accordance with Rule 18 of the Provisional Rules

NOTE: The rules referred to are as follows (General Assembly doc. A/71/Rev. 1, Apr. 28, 1947):

Rule 3: Special sessions of the General Assembly shall also be held within fifteen days of the receipt by the Secretary-General of a request for such a session either from the Security Council or from a majority of the Members of the United Nations.

Rule 4: Any Member of the United Nations may request the Secretary-General to summon a special session. The Secretary-General shall thereupon inform the other Members of the United Nations of the request and inquire whether they concur in it. If within thirty days of the date of the communication a majority of the Members concur in the request, a special session of the General Assembly shall be summoned in accordance with the provisions of Rule 3.

Rule 8: The Secretary-General shall notify the Members of the United Nations at least fourteen days in advance of the opening of a special session convoked at the request of the Security Council, and at least ten days in the case of a request by a majority of the Members.

Rule 11: The provisional Agenda for a regular session shall be communicated to the Members of the United Nations at least sixty days before the opening of the session. The provisional Agenda of a special session, summoned at the request of the Security Council, shall be communicated at least fourteen days before the opening of the session. The provisional Agenda of a special session, summoned at the request of a majority of the Members, shall be communicated at least ten days before the opening of the session.

Rule 18: Any Member of the United Nations may, at least four days before the date fixed for the opening of a special session, request the inclusion of additional items in the Agenda. Such items shall be placed on a supplementary list which shall be communicated to the Members of the United Nations as soon as possible.

<sup>1</sup> General Assembly doc. A/295, Apr. 25, 1947.

<sup>2</sup> General Assembly doc. A/288, Apr. 23, 1947.

of Procedure for the General Assembly, to include the following as an additional item in the Agenda of the Special Session of the General Assembly convening on April 28, 1947:

The Termination of the Mandate over Palestine and the Declaration of its Independence.

Please accept [etc.]

ALI JAWDAT  
*The Ambassador*

*Text of telegram from Egyptian Ambassador in the United States to the Secretary-General:*<sup>4</sup>

WASHINGTON D.C.  
*April 21, 1947*

HIS EXCELLENCY TRYGVE LIE  
*Secretary-General, United Nations*

SIR: I have the honour to advise that according to instructions received from my Government and in conformity of article 18 of the provisional rules of procedure of the General Assembly the Royal Egyptian Government requests to include the following additional item on the agenda of the forthcoming extraordinary meeting of the United Nations General Assembly which is to deal with the question of Palestine on the 28th of April 1947. The item reads as follows: The termination of the mandate over Palestine and the declaration of its independence. Accept Sir the assurances of my highest consideration.

MAHMOUD HASSAN  
*Egyptian Ambassador*

*Text of telegram from the Syrian Minister in the United States to the Secretary-General*<sup>5</sup>

*22 April 1947.*

TRYGVE LIE:

I have the honor to inform you that I have been instructed by my Government to request you, in accordance with Rule 18 of the Provisional Rules of Procedure of the General Assembly, to include the following as additional item in the Agenda of the Special Session of the General Assembly

**May 4, 1947**

convening on April 28, 1947: The termination of the mandate over Palestine and the declaration of its independence.

Please accept [etc.]

COSTI K. ZURAYK  
*Minister of Syria*

*Text of telegram from the Lebanese Minister in the United States to the Secretary-General*<sup>6</sup>

*22 April 1947.*

TRYGVE LIE:

EXCELLENCY I have the honor to state that I am instructed by my Government to request in accordance with Rule 18 of the Provisional Rules of Procedure for the procedure of the General Assembly the inclusion of the following additional item in the Agenda of the forthcoming Special Session of the General Assembly scheduled to open on April 28, 1947: "The termination of the mandate on and the granting of independence to Palestine".

Accept [etc.]

CHARLES MALIK  
*Minister of Lebanon  
in the United States*

*Text of letter from the Saudi-Arabian Minister in the United States to the Secretary-General*<sup>7</sup>

*April 22, 1947.*

EXCELLENCY:

I have been instructed by my Government to request, in accordance with Rule 18 Provisional Rules of Procedure of the General Assembly, that the following item be put on the Agenda of the Special Session which convenes on April 28th, 1947.

"The termination of the mandate over Palestine and the declaration of its independence."

Accept [etc.]

ASAD AL-FAQIH  
*Minister*

<sup>4</sup> General Assembly doc. A/287, Apr. 21, 1947.

<sup>5</sup> General Assembly doc. A/289, Apr. 23, 1947.

<sup>6</sup> General Assembly doc. A/290, Apr. 23, 1947.

<sup>7</sup> General Assembly doc. A/291, Apr. 23, 1947.

## UNITED STATES DELEGATION

[Released to the press April 25]

The following is the list of the United States Delegation to the special session of the General Assembly of the United Nations on the Palestine question which convenes at New York on April 28, 1947:

### *United States Representative*

Warren R. Austin

### *Alternate United States Representative*

Herschel V. Johnson

### *Advisers*

William Cargo, Division of Dependent Area Affairs, Department of State

William Dawson, retired Foreign Service officer

Wilder Foote,<sup>1</sup> Director of Information, U.S. Delegation to the United Nations

Loy Henderson, Director, Office of Near Eastern and African Affairs, Department of State

Gordon Knox,<sup>1</sup> Adviser, U.S. Delegation to the United Nations

Robert McClintock, Special Assistant to the Director, Office of Special Political Affairs, Department of State  
Charles Noyes,<sup>1</sup> Adviser, U.S. Delegation to the United Nations

Hayden Raynor, Special Assistant to the Director, Office of European Affairs, Department of State

John C. Ross,<sup>1</sup> Deputy to the U.S. Representative to the United Nations

William Sanders, Associate Chief, Division of International Organization Affairs, Department of State

Henry Villard, Deputy Director, Office of Near Eastern and African Affairs, Department of State

Fraser Wilkins, Division of Near Eastern Affairs, Department of State

### *Public Liaison Officer*

Chester Williams<sup>1</sup>

### *Special Assistant to the U.S. Representative*

William Mills<sup>1</sup>

### *Secretary-General*

Richard Winslow<sup>1</sup>

### *Deputy Secretary-General*

Thomas Power<sup>1</sup>

## Designating the United States Mission to the United Nations and Providing for Its Direction and Administration<sup>2</sup>

By virtue of and pursuant to the authority vested in me by the United Nations Participation Act of 1945 (59 Stat. 619) and as President of the United States, and for the purpose of defining further the functions of the Representative of the United States at the seat of the United Nations in connection with the participation of the United States in the United Nations, it is hereby ordered as follows:

1. The Representative at the seat of the United Nations, the Deputy Representative to the Security Council, Representatives in the Economic and Social Council and its Commissions, the Trusteeship Council, the Atomic Energy Commission, the Commission for Conventional Armaments and the Military Staff Committee, and representatives to

organs and agencies of the United Nations hereafter appointed or designated and included within the United States Mission to the United Nations herein provided for, together with their deputies, staffs and offices, shall be known as the United States Mission to the United Nations.

2. The Representative of the United States at the seat of the United Nations shall be the Chief of Mission in charge of the United States Mission to the United Nations. The Chief of Mission shall coordinate at the seat of the United Nations the activities of the Mission in carrying out the instructions of the President transmitted either by the Secretary of State or by other means of transmission as directed by the President. Instructions to the Representatives of the Joint Chiefs of Staff in the Military Staff Committee of the United Nations shall be transmitted by the Joint Chiefs of Staff. On request of the Chief of Mission, such

<sup>1</sup> Detailed from the permanent staff of the U.S. Representative at the seat of the United Nations.

<sup>2</sup> Ex. Or. 9844 (12 *Federal Register* 2765).

Representatives shall, in addition to their responsibilities under the Charter of the United Nations, serve as advisers in the United States Mission to the United Nations.

3. The Chief of Mission shall also be responsible for the administration of the Mission, including personnel, budget, obligation and expenditure of funds, and the central administrative services; provided that he shall not be responsible for the internal administration of the personnel, budget, and obligation and expenditure of funds of the

United States Representatives in the Military Staff Committee. The Chief of Mission shall discharge his responsibilities under this paragraph in accordance with such rules and regulations as the Secretary of State may from time to time prescribe.

4. This order shall be published in the *Federal Register*.

HARRY S. TRUMAN

THE WHITE HOUSE

April 28, 1947

## Summary Statement by the Secretary-General

### MATTERS OF WHICH THE SECURITY COUNCIL IS SEIZED AND THE STAGE REACHED IN THEIR CONSIDERATION<sup>1</sup>

#### 9. *Incidents in the Corfu Channel (consideration of this item was completed this week)*

At the one hundred and twenty-fifth meeting on 3 April, the Representative of the United Kingdom submitted a new draft resolution which was adopted by the Council at the one hundred and twenty-seventh meeting on 9 April 1947 by eight votes in favour with two abstentions. The Resolution recommended that the United Kingdom and Albanian Governments should immediately refer the dispute to the International Court of Justice in accordance with the provisions of the Statute of the Court (document S/324).

The Council is therefore no longer seized of this matter.

#### 7. *The Greek Question (See also document S/279)<sup>2</sup>*

The Greek Question was placed on the agenda of the one hundred and twenty-third meeting on 28 March 1947 at the request of the Representative of the United States to make a statement. The discussion continued at the one hundred and twenty-sixth, twenty-eighth, twenty-ninth, thirtieth and thirty-first meetings on 7, 10, 14 and 18 April with Representatives of Greece, Yugoslavia, Albania and Bulgaria participating. Draft resolutions were introduced by the Representatives of the United States (S/P.V./126, p. 47) and the Union of Soviet Socialist Republics (S/P.V./131, p. 97). The Representative of the United States accepted

amendments submitted by the Representative of France (S/P.V./126, p. 72 and S/P.V./131, p. 56). An amendment to the draft resolution of the Representative of the Union of Soviet Socialist Republics was submitted by the Representative of Poland (S/P.V./130, p. 69).

The Council adopted the amended United States draft resolution, resolving that pending a new decision of the Security Council, the commission established by the resolution of the Council of 19 October 1946, shall maintain in the area concerned a subsidiary group, composed of a representative of each of the members of the commission, to continue to fulfil such functions as the commission may prescribe, in accordance with its terms of reference (document S/330).

The Union of Soviet Socialist Republics' resolution and Polish amendment were not carried.

#### 8. *The General Regulation and Reduction of Armaments and Information on Armed Forces (see also document S/279)*

The Commission for Conventional Armaments was convened on 24 March 1947 and commenced its task under its terms of reference.

<sup>1</sup> Security Council doc. S/327, Apr. 11, 1947. This summary supplements the one printed in the BULLETIN of Apr. 13, 1947, p. 657. The omitted parts correspond substantially to the material formerly printed.

<sup>2</sup> Items 7 and 8 are printed from Security Council doc. S/331, Apr. 18, 1947, and supplement the material printed in the BULLETIN of Apr. 13.

# INTERNATIONAL ORGANIZATIONS AND CONFERENCES

## *Calendar of Meetings<sup>1</sup>*

<b>In Session as of April 27, 1947</b>		<b>1946</b>
Far Eastern Commission . . . . .	Washington . . . . .	Feb. 26
United Nations:		
Security Council . . . . .	Lake Success . . . . .	Mar. 25
Military Staff Committee . . . . .	Lake Success . . . . .	Mar. 25
Commission on Atomic Energy . . . . .	Lake Success . . . . .	June 14
		<b>1947</b>
Commission on Conventional Armaments . . . . .	Lake Success . . . . .	Mar. 24
Trusteeship Council . . . . .	Lake Success . . . . .	Mar. 26-Apr. 28
Meeting of Experts on Passport and Frontier Formalities . . . . .	Geneva . . . . .	Apr. 14
Trusteeship Council Questionnaire Committee . . . . .	Lake Success . . . . .	Apr. 15-23
German External Property Negotiations (Safehaven):		<b>1946</b>
With Portugal . . . . .	Lisbon . . . . .	Sept. 3
With Spain . . . . .	Madrid . . . . .	Nov. 12
Inter-Allied Trade Board for Japan . . . . .	Washington . . . . .	Oct. 24
		<b>1947</b>
International Conference on Trade and Employment: Second Meeting of Preparatory Committee.	Geneva . . . . .	Apr. 10
ICAO (International Civil Aviation Organization) European-Mediterranean Special Air Traffic Control Committee.	Paris . . . . .	Apr. 15
Fifth International Hydrographic Conference . . . . .	Monaco . . . . .	Apr. 22
ILO (International Labor Organization) Industrial Committee on Coal Mining.	Geneva . . . . .	Apr. 22-May 3
American International Institute for the Protection of Childhood: Meeting of the International Council.	Montevideo . . . . .	Apr. 25-28
<b>Scheduled for April-June 1947</b>		
FAO (Food and Agriculture Organization):		
International Timber Conference . . . . .	Marianske-Lazne, Czechoslovakia.	Apr. 28-May 10
Rice Study Group . . . . .	Trivandrum, Travancore, India.	May 15
Executive Committee . . . . .	Washington . . . . .	June 2
International Meeting of Marine Radio Aids to Navigation . . . . .	New York and New London.	Apr. 28-May 10
United Nations:		
General Assembly: Special Session . . . . .	Flushing Meadows . . . . .	Apr. 28
Economic Commission for Europe:		
First Session . . . . .	Geneva . . . . .	May 2
Transport Session . . . . .	Geneva . . . . .	May 12 <sup>2</sup>
Second Session . . . . .	Geneva . . . . .	June 23 <sup>2</sup>

<sup>1</sup> Prepared in the Division of International Conferences, Department of State.

<sup>2</sup> Tentative.

*Calendar of Meetings—Continued*

		1947
<b>United Nations—Continued</b>		
Committee on Progressive Development and Codification of International Law.	Lake Success . . . . .	May 12 <sup>2</sup>
Economic Commission for Asia and the Far East:		
First Session . . . . .	Shanghai . . . . .	June 5 <sup>2</sup>
Committee of the Whole. . . . .	Lake Success. . . . .	June 23 <sup>2</sup>
Preparatory Conference of Experts on Telecommunications . .	Lake Success. . . . .	June 16 <sup>2</sup>
ECOSOC (Economic and Social Council):		
Fiscal Commission . . . . .	Lake Success. . . . .	May 19 <sup>2</sup>
Subcommission on Freedom of Information and of the Press .	Lake Success. . . . .	May 19 <sup>2</sup>
Subcommission on Statistical Sampling . . . . .	Lake Success. . . . .	June 2 <sup>2</sup>
Economic and Employment Commission. . . . .	Lake Success. . . . .	June 2 <sup>2</sup>
Human Rights Drafting Committee. . . . .	Lake Success. . . . .	June 9 <sup>2</sup>
ICAO (International Civil Aviation Organization):		
Air Transport Committee . . . . .	Montreal . . . . .	Apr. 28
Interim Council. . . . .	Montreal . . . . .	Apr. 29
First Meeting of General Assembly . . . . .	Montreal . . . . .	May 6
South American Regional Air Navigation Meeting . . . . .	Lima . . . . .	June 17
IRO (International Refugee Organization): Second Part of First Session of Preparatory Commission.		
	Lausanne . . . . .	May 1
ILO (International Labor Organization):		
Industrial Committee on Inland Transport . . . . .	Geneva . . . . .	May 6
102d Session of Governing Body . . . . .	Geneva . . . . .	June 13
30th Session of International Labor Conference . . . . .	Geneva . . . . .	June 19
Congress of the Universal Postal Union . . . . .	Paris . . . . .	May 6
Central Rhine Commission . . . . .	Strasbourg. . . . .	May 7-8
International Technical Committee of Aerial Legal Experts: 16th Session.	Montreal . . . . .	May 10
German External Property Negotiations With Turkey (Safe-haven).	Ankara . . . . .	May 12 <sup>2</sup>
International Radio Conference . . . . .	Atlantic City . . . . .	May 15
PMCC (Provisional Maritime Consultative Council) . . . . .	Paris . . . . .	May 16
IEFC (International Emergency Food Council): Fourth Meeting .	Washington . . . . .	May 26-27
Eleventh International Congress of Military Medicine and Pharmacy.	Basel . . . . .	June 2-7
ECITO (European Central Inland Transport Organization): Seventh Session of the Council (Second Part).		
	Paris . . . . .	June 3
International Cotton Advisory Committee . . . . .	Washington . . . . .	June 9
Caribbean Commission: Fourth Meeting . . . . .	Jamaica . . . . .	June 23-30
IARA (Inter-Allied Reparation Agency): Meeting on Conflicting Custodial Claims.	Brussels . . . . .	June

<sup>2</sup> Tentative.

## **Toward Formulating a New Japanese Constitution**

### **FEC Interest in Japanese Constitution<sup>1</sup>**

The Commission has received from the United States Government the text of a draft constitution which appears to have been drawn up in compliance with an Imperial rescript, the text of which has also been supplied by the United States Government, along with the Supreme Commander's comments on that text.

The opening sentences of this draft indicate to the Commission that it will be presented to the first session of the Japanese Diet which will be chosen at the forthcoming general elections. The Commission therefore assumes that this and possibly other texts will be debated in the Diet and that amendments may be offered and perhaps other proposals introduced.

The Commission, therefore, desires that the Supreme Commander keep it informed of the progress and development of this and other drafts that may be considered by the Diet.

For mindful of its responsibilities under its Terms of Reference for the formulation of policy in regard to the implementation of the surrender terms, and of the important bearing which this or any other proposed changes in the constitutional structure of Japan may have upon the decisions in carrying out that responsibility, the Commission desires that the Supreme Commander for the Allies make clear to the Japanese Government that the Far Eastern Commission must be given an opportunity to pass upon the final draft of the constitution to determine whether it is consistent with the Potsdam Declaration and any other controlling document before it is finally approved by the Diet and becomes legally valid.

The Commission believes that in this way hasty action by the Japanese Diet will be prevented and

<sup>1</sup> Policy decision approved by the Far Eastern Commission on Mar. 20, 1946, and released to the press on Apr. 18, 1947. A directive based upon this decision was forwarded to the Supreme Commander for the Allied Powers for implementation.

<sup>2</sup> Policy decision approved by the Far Eastern Commission on July 2, 1946, and released to the press on Apr. 18, 1947. A directive based upon this decision was forwarded to the Supreme Commander for the Allied Powers for implementation.

time given for all elements inside and outside the Diet to consider this very important question and bring to that consideration all available thought produced by the freely expressed will of the Japanese people.

In this connection the Commission notes the encouragement given to the Japanese people in the Supreme Commander's announcement that this draft of a proposed constitution has his personal approval. It is somewhat apprehensive that this approval may be misunderstood by the Japanese public and taken to mean that this particular draft has the approval of the Powers represented on this Commission.

As such is not necessarily the case and as the Commission does not want to take any action in regard to this or any other draft constitution that might prejudice Japanese public opinion for or against any proposal of this nature, it considers that the Supreme Commander for the Allied Powers should in some appropriate manner make it known to the Japanese people that while this draft of a proposed constitution is a document of obvious merit and is available now for consideration and study, the fact that it is a draft prepared by the Government does not preclude favorable consideration of other proposals or drafts which may be submitted to the Diet for study and comparison.

The Commission requests that the United States Government inform the Supreme Commander of its views as expressed above, and since the constitutional issue is one that is likely to influence the votes of the electors, it do so with a minimum of delay.

### **Basic Principles for a New Japanese Constitution<sup>2</sup>**

1. The Japanese Constitution should recognize that sovereign power resides in the people. It should be so framed as to provide for:

a. A representative government based upon universal adult suffrage consisting of:

- (1) An executive, deriving its authority from and responsible to either the electorate or a fully representative legislative body;



(2) A legislature, fully representative of the electorate, which should have full legislative powers including full control over raising of public revenue and expenditure of public funds;

*b.* The establishment of an independent judiciary;

*c.* The guarantee of fundamental civil rights to all Japanese and to all persons within Japanese jurisdiction. All Japanese shall enjoy equal rights before the law and no special privileges of particular social groups such as the nobility shall be allowed;

*d.* The popular election of heads of institutions of local government such as prefectures, cities, towns, and villages;

*e.* The popular election of local assemblies such as prefectural, city, town, and village;

*f.* The adoption of constitutional amendments in a manner which will give effect to the freely expressed will of the Japanese people.

2. Though the ultimate form of government in Japan is to be established by the freely expressed will of the Japanese people, the retention of the Emperor Institution in its present constitutional form is not considered consistent with the foregoing general objectives. Consequently, the Japanese should be encouraged to abolish the Emperor Institution or to reform it along more democratic lines.

3. If the Japanese people decide that the Emperor Institution is not to be retained, constitutional safeguards against the institution will obviously not be required, but the constitution will have to conform to the requirements of paragraph 1 and shall also provide:

*a.* That the legislation shall have sole authority over financial measures and any other organ shall possess only a temporary veto power over other legislative measures;

*b.* That the prime minister and the ministers of state, all of whom shall be civilians and of whom a majority, including the prime minister, shall be selected from the Diet, shall form a Cabinet collectively responsible to the legislature. If a system of government is adopted whereby the chief executive is elected to that office by the people, the provision that a majority of the Cabinet members

shall be chosen from the legislature should not necessarily apply;

*c.* That the legislative organ shall have the power to meet at will.

4. If the Japanese decide to retain the Institution of the Emperor, the following safeguards in addition to those enumerated in 1 and 3 above will be necessary:

*a.* When a Cabinet loses the confidence of the legislature it shall either resign or appeal to the electorate;

*b.* The Emperor shall have no powers other than those to be conferred on him by the new Constitution. He shall act in all cases in accordance with the advice of the Cabinet;

*c.* The Emperor shall be deprived of all military authority such as that provided in articles XI, XII, XIII, and XIV of chapter 1 of the Constitution of 1889;

*d.* All property of the Imperial household shall be declared property of the State. The expenses of the Imperial household shall be appropriated by the legislature.

5. The retention of the Privy Council and the House of Peers in their present form and with their present powers is not considered consistent with the foregoing general objectives.

### **Further Policies Relating to New Japanese Constitution<sup>3</sup>**

The Far Eastern Commission reaffirms its previous decision, taken in FEC-031/19, Basic Principles for a New Japanese Constitution, that all cabinet ministers should be civilians, and further decides as a matter of policy that the House of Councillors should not have any predominance over the House of Representatives. The Commission considers essential its continuing right to scrutinize the implementing legislation very carefully to insure that such predominance is not established.

<sup>3</sup> Policy decision approved by the Far Eastern Commission on Sept. 25, 1946, and released to the press on Apr. 18, 1947. A directive based upon this decision was forwarded to the Supreme Commander for the Allied Powers for implementation.

## Review of Japanese Constitution <sup>4</sup>

a. The terms of the policy decision contained in FEC-031/4 (Provisions for the Review of a New Japanese Constitution, approved on October 17, 1946, and forwarded to the Supreme Commander for the Allied Powers on October 28, 1946, Serial #62) should be formally communicated to the Government of Japan.<sup>5</sup>

b. The Supreme Commander for the Allied Powers should be informed that the time and manner of public announcement of this policy decision are still being considered by the Far Eastern Commission.

## Apprehension, Trial, and Punishment of War Criminals in the Far East <sup>6</sup>

1. The term "war crimes" as used herein, includes:

a. Planning, preparation, initiation or waging of a war of aggression or a war in violation of international treaties, agreements and assurances, or participation in a common plan or conspiracy for the accomplishment of any of the foregoing.

b. Violations of the laws or customs of war. Such violations shall include but not be limited to murder, ill-treatment or deportation to slave labor or for any other purpose of civilian population of, or in, occupied territory, murder or ill-treatment of prisoners of war or persons on the seas, or elsewhere improper treatment of hostages, plunder of public or private property, wanton destruction of cities, towns or villages or devastation not justified by military necessity.

c. Murder, extermination, enslavement, deportation and other inhumane acts committed against any civilian population, before or during the war or prosecution on political, racial or religious grounds in execution of or in connection with any

<sup>4</sup> Policy decision approved by the Far Eastern Commission on Dec. 12, 1946, and released to the press on Apr. 18, 1947. A directive based upon this decision was forwarded to the Supreme Commander for the Allied Powers for implementation.

<sup>5</sup> BULLETIN of Apr. 6, 1947, p. 612.

<sup>6</sup> Policy decision approved by the Far Eastern Commission on Apr. 3, 1946, and released to the press on Apr. 18, 1947. A directive based upon this decision was forwarded to the Supreme Commander for the Allied Powers for implementation.

crime defined herein whether or not in violation of the domestic law of the country where perpetrated.

2. The offense need not have been committed after a particular date to render the responsible party or parties subject to arrest but, in general, should have been committed since, or in the period immediately preceding the Mukden incident of September 18, 1931. The preponderance of cases may be expected to relate to the years since the Lukouchiao incident of July 7, 1937.

3. All practicable measures should be taken to identify, investigate, apprehend, and detain all persons suspected of having committed war crimes, as defined in paragraph 1 above, and all persons whom any one of the United Nations or Italy charges with such crimes.

4. Suspected war criminals should be held in close confinement, without access to the press or other media of public information, and without distinction as to rank or position, as befits ordinary criminals.

5. The Supreme Commander for the Allied Powers should have:

(a) Power to appoint special international military courts (which term should be held to include tribunals of any type) composed of military, naval, or air force officers or civilians representing any two or more of the states members of the Far Eastern Commission for the trial under any applicable law, domestic or international, including the laws and customs of war, of the Far Eastern war criminals indicted by the Governments of these states, and

(b) Power to prescribe, subject to consultation with the representatives of those governments, rules of procedure for such courts, the Supreme Commander shall appoint to each international court a judge nominated by each state represented on the Far Eastern Commission which signifies its desire to participate in the work of such court. In the appointment of the international courts and in all trials before them, the international character of the courts and of the authority by which they were appointed and under which they act should be properly emphasized and recognized, particularly in dealings with the Japanese people. The Supreme Commander for the Allied Powers should have: (1) the responsibility for carrying out the judgments of any international courts appointed

by him, and (2) the power to approve, reduce or otherwise alter any sentences imposed by any such courts, but not to increase the severity thereof, after consultation with the Allied Council for Japan and the Representatives in Japan of the other Powers, members of the Far Eastern Commission.

6. The Supreme Commander for the Allied Powers (a) should promptly establish an agency, acting under his command to investigate reports of war crimes, to collect and analyze evidence, to arrange for the apprehension and prompt trial of suspects, to prepare, supervise and conduct the prosecution of individuals and organizations before international military courts or tribunals, and to recommend to the Supreme Commander which individuals and organizations should be prosecuted, before what courts they should be tried and what persons should be secured as witnesses, and (b) should provide, after discussion with the local representatives of the nations involved, and in a manner consistent with efficient administration, for equitable inclusion in the membership of such agency of suitable representatives of the states members of the Far Eastern Commission. This agency should advise the Supreme Commander and other military commanders for the Allies on matters relating to war criminals. This agency should attach importance to the investigation of the evidence that offenses of the type described in paragraph 1 *a* above have been committed, should collect and analyze the evidence of such offenses and should recommend to the Supreme Commander a plan as indicated in paragraph 5 above for the appointment of an international court for the trial of such offenses and the charges to be preferred. This agency should also maintain a central record and information office of Japanese war criminals and war crimes, the records and files of which should be available to any interested United Nation.

7. The military commander of any nation (including the United States) participating in the occupation of areas previously dominated by Japan may establish special national military courts to deal with war criminals not held or requested by the Supreme Commander for trial by an international military court or tribunal of the types referred to in paragraph 6 above. Such courts should be separate from courts which may be set

up to deal with current offenses against the occupation or infractions of military discipline.

8. Military commanders of forces of occupation in the Far East should promptly comply with a request by the government of any one of the United Nations or Italy for the delivery to it of any person who is stated in such request to be charged with a war crime subject to the following exceptions:

(1) Persons who have held high political, civil or military positions in the Japanese Empire or in one of its allies, co-belligerents or satellites, should not be delivered, pending decision whether such person should be tried before an international military court or tribunal. Suspected war criminals desired for trial before such a court or tribunal or persons desired as witnesses at such trials will not be turned over to the nation requesting them so long as their presence is desired in connection with such trials.

(2) Where persons are requested by more than one of the Governments above mentioned for trial of a war crime, the military commanders concerned should make their determinations based on all the circumstances, including the relative seriousness of the respective charges against such a person and the national interests involved, and should deliver the requested person to a particular United Nation or Italy accordingly.

9. Compliance with any request for the delivery of a suspected war criminal should not be delayed on the ground that other requests for the same person are anticipated.

10. Delivery of a suspected war criminal to a requesting government should be subject to the condition that if such person is not brought to trial, tried and convicted within six months from the date he is so delivered, he will be returned to the authority who made delivery if he has been requested for trial by any of the other United Nations or Italy.

11. Military commanders should take under their control, pending subsequent decisions as to its eventual disposition, property, real and personal, found in areas of their respective jurisdiction and owned or controlled by persons taken into custody pursuant to the provisions of paragraph 3 above.

12. Such measures as are deemed necessary should be taken to insure that witnesses to war crimes will be available when required.

13. The execution of death sentences should be deferred if there is a reason to believe that the testimony of those convicted would be of value in the trial of other war criminals.

14. Any national of any United Nation who may be requested, or who there is reason to believe may be desired, by his government as a renegade or quisling, should be arrested. Such persons should normally be turned over as soon as practicable to their government.

15. Military commanders having custody of alleged offenders requested under paragraphs 8 and 14 above, if in doubt as to whether such persons should be turned over to the demanding nation for trial, should consult their government and, in appropriate cases leave the matter to be dealt with through diplomatic channels. Within the main islands of Japan, the Supreme Commander for the Allied Powers will have custody of such alleged offenders and should consult the Joint Chiefs of Staff in cases of doubt.

## Determination of Peaceful Needs of Japan <sup>1</sup>

1. The Far Eastern Commission determines as a matter of policy that the peaceful needs of the Japanese people should be defined as being substantially the standard of living prevailing in Japan during the period of 1930-1934.

2. Data about the standard of living during 1930-1934 should for present purposes be used to make an estimate of Japan's peaceful needs in 1950. In estimating the nature and size of the industrial structure within that level, account should be taken of such factors as technological developments, the balance of payments, and employment.

3. Acceptance of the above policy should not be interpreted to mean acceptance in advance of a specific level for any particular industry.

<sup>1</sup> Policy decision approved by the Far Eastern Commission on Jan. 23, 1947, and released to the press on Apr. 18. A directive based upon this decision was forwarded to the Supreme Commander for the Allied Powers for implementation.

## U.S. DELEGATION TO ILO INDUSTRIAL COMMITTEE ON COAL MINING

[Released to the press April 25]

The President has approved the composition of the United States Delegation to the second meeting of the Industrial Committee on Coal Mining of the International Labor Organization, as submitted by the Secretary of State upon the recommendation of the Secretary of Labor. The meeting will commence on April 24 at Geneva, Switzerland, and will continue for 10 days.

The United States Delegation is a tripartite group of six delegates representing equally, in accordance with ILO constitutional provisions, government, management, and labor. In addition, two Government advisers will participate. The Delegation is listed as follows:

### *Representing the Government of the United States:*

#### *Delegates*

Harry Weiss, Director, Economics Branch, Wage and Hour and Public Contracts Divisions, Department of Labor

Louis C. McCabe, Chief of the Coal Division of the Bureau of Mines, Department of the Interior

#### *Advisers*

Witt Bowden, Economist, Labor Economics Staff, Bureau of Labor Statistics, Department of Labor

Paul R. Porter, Acting Chief, Mission for Economic Affairs, London

### *Representing the Employers of the United States*

Robert P. Koenig, President, Ayrshire Collieries Corporation, Indianapolis, Indiana

H. J. Connolly, President, Pennsylvania Coal Company, Scranton, Pennsylvania

The following members originally scheduled to represent the workers of the United States have been detained by Union business:

Thomas Kennedy, Secretary-Treasurer, United Mine Workers of America, Washington, D. C.

John T. Jones, President, District 16, United Mine Workers of America, Washington, D. C.

This will be the second session of the Coal Mining Committee, the first having been held in December 1945 at London. The meeting stems from the policy inaugurated by the Governing Body of the International Labor Office in January 1945 of establishing seven major industrial committees for the purpose of paying closer attention to the individual industries, and thus implementing the previously evolved general principles governing

labor standards and social policy on an individual industry basis.

The 12 major coal-producing countries that comprise the Committee are Australia, Belgium, Canada, Czechoslovakia, France, India, the Netherlands, Poland, the Union of South Africa, Turkey, the United Kingdom, and the United States.

The agenda for the second session will include a report on the progress made by the member countries since the first meeting. The miners' charter, which was drafted at the first session, will be scrutinized in the light of subsequent developments, particularly with respect to mine-safety provisions. Attention will also be focused upon the utilization of the economic, human, and technical resources of the coal mining industry in view of the critical need for increased production of fuel in Europe at this time.

In accordance with the terms of the agreement between the International Labor Organization and the United Nations, representatives of interested agencies of the United Nations have been invited to attend the meeting.

#### U. S. DELEGATION TO IMMRRAN

[Released to the press April 24]

The Acting Secretary of State announced on April 24 that the President has approved the composition of the American Delegation to the International Meeting on Marine Radio Aids to Navigation (IMMRRAN), which is scheduled to be held at New York, N. Y., and New London, Conn., beginning on April 28, 1947, and continuing for two weeks. The nominations were submitted by Acting Secretary Acheson upon the recommendation of the interested Government agencies, the National Federation of American Shipping, and the Radio Manufacturers Association.

The American Delegation is as follows:

##### *Chairman*

John S. Cross, Assistant Chief, Telecommunications Division, Department of State

##### *Vice Chairman*

Edward M. Webster, Commissioner, Federal Communications Commission

##### *Delegates*

Capt. H. C. Moore, United States Coast Guard  
Commodore Gordon McLintock, United States Maritime Commission  
Lt. Comdr. Irvin L. McNally, United States Navy

Daniel J. McKenzie, Master Mariner, Transportation Corps, War Department  
Lt. Comdr. Clarence A. Burmister, Coast and Geodetic Survey, Department of Commerce  
P. De Forrest McKeel, Civil Aeronautics Administration, Department of Commerce  
Edward C. Phillips, National Federation of American Shipping, Inc., Washington  
W. R. G. Baker, Radio Manufacturers Association, Washington

The purpose of the meeting is to provide information to foreign countries regarding United States policy in the field of marine radio aids to navigation and to demonstrate the progress which the United States has made in this field. The sessions in New York will consist of lectures and discussions, and exhibits by manufacturers of radio and electronic equipment, including radar and loran. During the second week the headquarters of the meeting will be at the United States Coast Guard Academy in New London, Conn., where there will be further discussions and demonstrations at sea of equipment under operating conditions. Vessels for the demonstrations on ship-board have been made available by the United States Maritime Commission, the United States Coast Guard, and the United States Coast and Geodetic Survey.

It is expected that the meeting will inform the delegates regarding the adoption of new radio aids to navigation by this Government and the availability, type, and quality of marine radio-aid equipment produced by United States manufacturers. Should it appear that fruitful conclusions and resolutions leading to world standardization of marine radio aids can be evolved during the progress of the meeting, such conclusions and resolutions will be recorded for future reference and utilization when the nations of the world meet to consider standardization of equipment in this field.

The Honorary Chairman of the meeting will be Garrison Norton, Assistant Secretary of State. Chairman of the meeting will be William L. Everitt of the University of Illinois. John S. Cross of the Department of State will serve as Executive Secretary and Lt. Comdr. L. E. Brunner of the United States Coast Guard as Program Coordinator. Henry F. Nichol and Reginald T. Johnson, both of the Department of State, will serve respectively as the Executive Officer and the Administrative Officer of the meeting.

The congressional advisers who are expected to attend are: Fred Bradley of Michigan; Alvin F. Weichel of Ohio; T. Millet Hand of New Jersey; Henry J. Latham of New York; David M. Potts of New York; Willis W. Bradley of California; Thor C. Tollefson of Washington; Horace Seely-Brown of Connecticut; John C. Brophy of Wisconsin; Robert Nodar, Jr., of New York; Herbert C. Bonner of North Carolina; Henry M. Jackson of Washington; Eugene J. Keogh of New York; Cecil R. King of California; Emory H. Price of Florida; and Leo F. Rayfiel of New York. Accompanying them will be Marvin Coles, Chief Counsel, and Guy H. La Bounty, Chief Investigator, both of the Merchant Marine and Fisheries Committee, House of Representatives.

Attached to the Delegation will be approximately 15 industry advisers and 20 advisers from United States Government agencies. In addition, speakers who are experts in the field of radio and radio marine aids to navigation will address the meeting.

To date 26 countries have accepted the invitation to IMMRAN. The United Kingdom Delegation will be headed by Sir Watson-Watt, well-known scientist in the field of electronics.

#### U.S. DELEGATION TO FIRST ASSEMBLY OF ICAO

[Released to the press April 23]

The President announced on April 23 the composition of the United States Delegation to the first assembly of the International Civil Aviation Organization, scheduled to convene in Montreal, Canada, May 6, 1947.

The Delegation will be headed by Garrison Norton, Assistant Secretary of State and chairman of the Air Coordinating Committee. William A. M. Burden, Assistant Secretary of Commerce and vice chairman of the Committee, will be alternate chairman. Other delegates designated by the President are: James M. Landis, chairman of the Civil Aeronautics Board and co-chairman of the Committee; Maj. Gen. Laurence S. Kuter, U.S. Representative to the ICAO Council; Harlee Branch, member of the Civil Aeronautics Board; L. Welch Pogue, president of National Aeronautic Association and member of the Industry Advisory Panel of the Air Coordinating Committee; and Lt. Comdr. Paul A. Smith, U.S. Representative to the Air Navigation Committee and an alternate to General Kuter on the ICAO Council.

Invitations have been extended to both Houses of Congress to send congressional advisers as part of the Delegation.

Designated as consultants to the Delegation were: W. Stuart Symington, Assistant Secretary of War for Air; John N. Brown, Assistant Secretary of Navy for Air; Robert S. Burgess, Deputy Second Assistant Postmaster General; Gerald Brophy, former U.S. Representative to PICAQ.

The President named the following as alternate delegates: Russell B. Adams, Director, Economic Bureau, Civil Aeronautics Board; J. Paul Barringer, Assistant Chief, Aviation Division, Department of State; Paul T. David, U.S. Representative on Air Transport Committee and an alternate to General Kuter on ICAO Council; Livingston T. Merchant, Chief, Aviation Division, Department of State; Emory Nunneley, General Counsel, Civil Aeronautics Board; Carl Schwartz, Assistant Chief, Estimates Division, Bureau of the Budget; Charles I. Stanton, Deputy Administrator, Civil Aeronautics Administration, Department of Commerce.

Included on the Delegation as advisers are the following Government and industry aviation experts: Col. W. G. Bryte, Chief, Civil Air Division AC/AS5, War Department; G. N. Calkins, Attorney Adviser, General Counsel, Civil Aeronautics Board; Enar B. Olson, Budget Analyst, Civil Aeronautics Administration, Department of Commerce; Glen Gilbert, Chief, Technical Mission, Civil Aeronautics Administration, Department of Commerce; Frank Hefner, Budget Examiner, Bureau of the Budget; Robert Hoyt, Coordinator of International Relations, Civil Aeronautics Board; Stephen Latchford, Aviation Adviser, Aviation Division, Department of State; Comdr. E. S. Lee, Jr., Civil Aviation Section, Naval Operations, Navy Department; Robert J. G. McClurkin, Assistant Director, Economic Bureau, Civil Aeronautics Board; Walker Percy, CAA-PICAO Coordinator, Department of Commerce; David W. Wainhouse, Assistant Chief, Division of International Organization Affairs, Department of State; Richard K. Waldo, Special Assistant on ICAO Matters, Aviation Division, Department of State; John Dickerman, Air Line Pilots Association; Donald W. Nyrop, Air Transport Association; Stuart Tipton, Air Transport Association; W. K. Ebel, vice president, Glenn L. Martin Company, and member of Aircraft Industries Associa-

tion; Hall L. Hibbard, vice president, Lockheed Corporation, and member of Aircraft Industries Association. Representatives of United States flag airlines engaged in international air commerce have been invited to attend the assembly session as observers attached to the United States Delegation.

United States positions on specific agenda items are in the process of preparation within the framework of the Air Coordinating Committee, providing an opportunity for full and complete industry participation in the development of United States positions. The provisional agenda for the Assembly has been in the hands of the Air Coordinating Committee since March 6, 1947.

## **The Twelfth Pan American Sanitary Conference: Regional Health Programs and World Health Organization**

The Twelfth Pan American Sanitary Conference met in Caracas, Venezuela, from January 12 to 24, 1947. It was composed of delegates from 20 of the 21 American republics,<sup>1</sup> together with observers<sup>2</sup> from Canada and the British, Dutch, and French territorial possessions in the Western Hemisphere, and from the World Health Organization, the Rockefeller Foundation, the Institute of Inter-American Affairs, and Pan American Airways.

The agenda of the Conference included a wide range of health problems which may be grouped under three major categories: (1) those concerning international cooperation and organization in public health; (2) those relating to national policies and organization in public health; and (3) those regarding the prevention and eradication of major diseases. Although the work of the Conference in the last two fields was of vital significance since it affects the health of all the peoples of the Western Hemisphere, the Conference decisions in the field of international public-health organization have aroused such wide-spread interest that they will be given primary attention in the present article.

The most controversial issue facing the Conference was that of the relationship between the Pan American Sanitary Bureau and the World Health Organization. The constitution of the World Health Organization, as drawn up and signed by

The assembly at Montreal will be of particular importance this year in as much as this will be the first assembly of the permanent organization. The convention on international civil aviation, drafted at the Chicago aviation conference in the winter of 1944, under which the permanent organization was established, came into force on April 4, 1947, following receipt of the necessary number of ratifications from member governments.

Among the items to be considered at the assembly are the organization, structure, and duties of the permanent international body, the relationship of the organization to the United Nations, the financing of ground facilities on an international basis and a possible multilateral air-transport convention.

the representatives of 61 nations at the International Health Conference in New York City on July 22, 1946, provides in chapter XI for the structure of regional offices and committees of the World Health Organization and in article 54 states that:

"The Pan American sanitary organization represented by the Pan American Sanitary Bureau and the Pan American Sanitary Conferences, and all other inter-governmental regional health organizations in existence prior to the date of signature of this Constitution, shall in due course be integrated with the Organization. This integration shall be effected as soon as practicable through common action based on mutual consent of the competent authorities expressed through the organizations concerned."

A subcommittee of representatives of four American republics (Brazil, Mexico, United States, and Venezuela) was appointed by the In-

<sup>1</sup> The Dominican Republic received an invitation from the Venezuelan Government, transmitted through the Pan American Sanitary Bureau, but declined to send representatives.

<sup>2</sup> It was decided by the Conference that representatives of states and territories not members of the Pan American Sanitary Bureau would have full right of participation in the discussions and work of the Conference, but without the right to vote.



terim Commission of the World Health Organization to negotiate with the Pan American sanitary organization in order to implement this article. This subcommittee prepared in the fall of 1946 a draft agreement between the two organizations. The Directing Council of the Pan American Sanitary Bureau met in early October and approved a document called the "Declaration of Habana" which urged that the American republics in ratifying the constitution of the World Health Organization seek assistance to insure that the complete organizational, financial, administrative, and policy independence of the Bureau would be preserved in any agreement with the World Health Organization.

Four principal issues faced the commission of the Conference which dealt with this problem: (a) the general nature and form of action which the Conference should take; (b) the policy to be recommended as to approval of the constitution of the World Health Organization; (c) whether, after integration, the Pan American sanitary organization would continue to carry on activities apart from those as regional agency of the World Health Organization; and (d) the extent to which the Pan American sanitary organization would be required to conform to the World Health Organization constitution and policies, both in serving as its regional organization and in any separate activities.

1. As to the nature of the action to be taken by the Conference, there was an initial difference of opinion as to whether the Conference should seek to work out the terms of an agreement with the World Health Organization or should confine itself to a brief statement of general principles to govern the relations.

It was therefore agreed to adopt a generally worded resolution and to place the more detailed provisions in an annex as the guiding basis for the formulation of a specific agreement with the World Health Organization. In this resolution the Conference authorizes the Directing Council of the Bureau to negotiate the agreement within the framework of the principles set forth in the annex and specifically delegates to the Council power to approve modifications therein if this proves desirable. A motion to limit this power to acceptance only of proposals falling within the context of the points in the annex was defeated in the full commission (receiving only three votes) when the

desirability was pointed out of giving the Council certain freedom of action in negotiating the agreement.

The procedure thus worked out is believed to be eminently practicable. It permits prompt negotiations with the Interim Commission of the World Health Organization for the formulation of the specific agreement and fulfils the requirement in article 54 of the World Health Organization constitution that the "mutual consent of the competent authorities" to proceed with integration should be "expressed through the organizations concerned". Yet the procedure obviates the necessity of further reference of a specific agreement to the individual American governments and avoids the four-year delay which would have occurred if the agreement had been required to be submitted to the next Pan American Sanitary Conference for approval. Once negotiated, the agreement is to come into effect, according to paragraph VI of the resolution, after the establishment of the World Health Organization, approval by the World Health Assembly, ratification of the constitution by 14 American republics, and signature of the agreement by the Director of the Pan American Sanitary Bureau.

2. The second major problem mentioned above related to the policy to be recommended by the Conference on ratification of the World Health Organization constitution. The United States position at the Conference was one of firm opposition to any recommendation to the governments to ratify the constitution with reservations. The resolution as finally agreed upon recommends the prompt approval of the constitution by all American republics with no reference to reservations of any kind.

3. The third question was whether, after the agreement with the World Health Organization became effective, the Pan American Sanitary Bureau would continue any separate activities in addition to its functions as regional office. The possibility of additional activities was envisaged in the draft agreement prepared by the subcommittee of the World Health Organization, and it was generally assumed in the discussions at the Conference that separate activities would be continued by the Bureau. Indeed, the list of principles in the annex to the resolution places great emphasis upon such separate programs.



4. The basic issue of the extent to which the Pan American Sanitary Bureau should conform to the World Health Organization constitution and policies, both in serving as regional office and in its separate activities, was not definitely settled in all its aspects.

However, a key to the resolution of this problem is found in paragraph 1 of the annex:

"The Pan American Sanitary Organization . . . shall continue to function in its continental character in American aspects of health problems and shall act as Regional Committee and Office of the World Health Organization in the Western Hemisphere, in accordance with the Constitution of the World Health Organization."

This clearly provides for conformance with the World Health Organization constitution when the Organization acts as regional agency. However, there was no discussion as to whether the final phrase following the comma applies to the entire paragraph or only the last portion.

Nevertheless, two other articles in the annex establish a pattern of conformance of the Bureau, even in its separate activities, to World Health Organization constitution and policies. Article IX provides that the Pan American Sanitary Conference—

"is free to promote and adopt sanitary standards and conventions in the Western Hemisphere being required to take into account and to proceed in accordance with the standards, conventions and plans of the World Health Organization . . .".

Article X empowers the Bureau to undertake regional health programs under the terms of the Pan American Sanitary Code and as directed by the conferences or the Directing Council, "provided that such programs are not incompatible with the Constitution of the World Health Organization".

The provisions concerning the election of the Director were considered as of the greatest importance, since the post is a dual one under the

present concept. The idea was readily accepted that the existing Director at the time the agreement becomes effective shall assume the post of Regional Director until the end of his term. After discussion it was agreed that his successors should be elected by the Executive Board of the World Health Organization in agreement with the Pan American Sanitary Conference (as provided in article 52 of the World Health Organization constitution) with two conditions: (1) that the person must have received the vote of two-thirds of the American republics in the Directing Council, and (2) that both the Directing Council and the World Health Organization may reject candidates proposed by the other only once for each election. The United States Delegation did not favor the latter condition.

The complex of problems with which the Conference dealt in the field of national policies and organization of public health included the National Organization of Sanitary Services, the relations between social security and public-health service, post-war health problems with special reference to migration, and the regulation of food and drugs. An equally important portion of the Conference agenda was devoted to problems of the diagnosis, control, and treatment of diseases which constitute nation-wide problems, such as malaria, tuberculosis, and venereal disease, as well as rabies, typhus, plague, and other animal diseases transmittable to man.

Each of these topics was assigned to a special commission of the Conference attended by representatives who were experts in these particular fields and, through discussion and a sharing of experiences among these leaders in public health, a series of resolutions and recommendations was evolved on each of the subjects. After consideration and approval by the full Conference, these were transmitted to the governments. It will be part of the continuing task of the Pan American Sanitary Bureau to work with the 21 American governments to seek to assure the implementation of these programs.

## THE RECORD OF THE WEEK

### Soviet Position on Reconvening of Joint U. S.-U. S. S. R. Commission

#### NOTE FROM SOVIET MINISTER FOR FOREIGN AFFAIRS TO THE SECRETARY OF STATE

DEAR MR. MARSHALL:

In reply to your letter of April 8 on the question of Korea,<sup>1</sup> I am communicating the following:

At the Moscow meeting of the Foreign Ministers of the Soviet Union, the United States of America and the United Kingdom in December 1945, an agreement was reached which determined the policy of the three powers with respect to Korea. A basis for this agreement were the proposals of the Soviet Government, to which the Government of the U.S.A. also agreed, having consequently abandoned its first intention not to establish a National Korean Government in Korea. The Moscow Agreement held the establishment of a provisional democratic Korean Government which could take all the necessary measures for the development of Korean industry, transport, agriculture and the national culture of the Korean people, to be a problem of primary importance.

Having made these proposals, the Soviet Government deemed that the unification of Korea under the leadership of the Korean National Government was the most important prerequisite for the restoration of Korea as an independent state and the establishment of bases for the development of the country on democratic principles.

The Soviet Government continues to adhere to this point of view and insists on a steadfast implementation of the Moscow Agreement on Korea, being certain that, on the basis of the execution of this agreement Korea would be successfully developed along democratic principles and would become an independent and prosperous state and an equal member of the United Nations.

However, the legislative program provided for Korea by the Moscow Agreement has not yet been carried out. A provisional democratic Korean Government has not been established. The work of the Joint Soviet-American Commission, estab-

lished for the purpose of collaborating in the establishment of a provisional democratic Korean Government was suspended as a result of the fact that the American delegation on this Commission took a stand contrary to the Moscow Agreement on Korea. Furthermore, the American Command in southern Korea did not agree to a serious consideration of the proposals by the Soviet Command in northern Korea on the question of an economic exchange between the two zones, which made it impossible to reach an agreement on this question.

In the course of the work of the Joint Soviet-American Commission during the period from March to May, 1946, the Soviet delegation made every effort to effect the execution of the aforementioned agreement on Korea and, first of all, provide for a prompt establishment of a provisional democratic Korean Government and for the unification of Korea under its leadership. However, the Soviet delegation met not only with difficulties in this connection, but also with direct counter-action on the part of the American delegation. Basing itself on the agreement on Korea, which provides that the Joint Commission, in formulating its proposals, should consult Korean democratic parties and social organizations, the Soviet delegation insisted on a wide-scale attraction of such parties and organizations to consultation with the Commission. The American delegation excluded participation by a whole series of large democratic organizations in southern Korea and insisted on consultation with groups which had taken a stand in opposition to the Moscow Agreement, consultation with which, naturally could not facilitate the execution of this agreement. The American delegation included in the list of parties and organizations submitted by it for consultation with the Joint Commission, seventeen political parties and social groups of southern Korea which took a stand against the

<sup>1</sup> BULLETIN of Apr. 20, 1947, p. 716.

Moscow Agreement, and only three democratic parties which supported the agreement. The American delegation excluded such large democratic parties and social organizations as the All-Korean Labor Confederation, the All-Korean Peasant Union, the Korean National Revolutionary Party, the All-Korean Youth Union, etc., from participation in consultation. Deeming it impossible to agree to this position of the American delegation, the Soviet delegation nevertheless did its utmost to find a way to reach an agreed decision. This, however, appeared impossible and the work of the Commission, on the suggestion of the American delegation, was curtailed.

The intolerance of the resulting situation is evident. As a result of this, as you know, it was necessary to take new measures in endeavoring to find a way out of such a situation.

The Soviet Commander in his relations with the American Commander endeavored to find a basis for the renewal of the work of the Joint Commission. As a result of an exchange of letters, there has been a considerable *rapprochement* of the points of view of both sides, which fact was noted by both commanders. It was expected that an agreement would soon be reached and the Joint Commission would begin its work very shortly. However, no reply has been received to date from the American Commander to the last letter of February 28, from the Soviet Commander and the proposed agreement was not reached. Disagreement of action was a serious obstacle for the opportune fulfillment of the program of measures proposed in the Moscow Agreement of Korea as a whole.

In connection with northern Korea, during the period beginning with the capitulation of Japan, considerable progress was made in the field of democratization, and also with respect to the restoration of national economy and culture. Wide democratic reforms have been made which guarantee political freedom and raise the standard of living of the population. I have in mind, first of all, the introduction of an over-all electoral right; a law on equal rights for women; the establishment of local authority agencies and the People's Committee of Northern Korea on the basis of free democratic elections; land reform, as a result of which 725,000 landless peasant farmers and those having little land received more than 1 million hectares of free land, which formerly be-

longed to Japanese colonists and their accomplices in Korea; the nationalization of former Japanese industries, the 8 hour work-day, safeguarding of labor and social insurance; public educational reform, as a result of which the Korean language has been reestablished, the network of schools was increased and the number of students was increased, etc. However, such wide democratic reforms have been carried out only in northern Korea, where there is only two fifths of the population of Korea.

The Soviet Government, closely adhering in their policy toward Korea to the program planned in the Moscow Agreement, believes the following to be points of primary importance:

1. The establishment of a provisional democratic Korean Government on the basis of a wide-scale participation of Korean democratic parties and social organizations, in order to expedite the political and economic unification of Korea as a self-supporting state independent of foreign interference, which would do away with the division of the country into two zones.

2. The establishment of democratic authority agencies throughout Korea by means of free elections on the basis of a general and equal electoral right.

3. The aiding of Korean people in the restoration of Korea as an independent democratic state and in the development of its national economy and national culture.

In conformity with the steadfast aspiration on the part of the Soviet Government for the prompt restoration of Korea as a united sovereign state and elimination of difficulties arising from the fact that Korea to date has not been unified and does not have a national government, I propose that the Joint Soviet-American Commission resume its work on May 20 of the current year in the city of Seoul, on the basis of an exact execution of the Moscow Agreement on Korea, and that the Commission present the result of its work on the elaboration of recommendations with respect to the establishment of a provisional democratic Korean Government for consideration by the two governments in July and August 1947.

I am sending copies of the present letter to Mr. Bevin and to the Chinese Ambassador in Moscow.

I beg you [etc.]

V. MOLOTOV

## Lend-Lease to the Union of Soviet Socialist Republics<sup>1</sup>

### Lend-Lease Assistance to the Soviet Union During the Period of Hostilities

Lend-lease aid to the Soviet Union during the period of hostilities amounting to about \$11,100,000,000 was rendered under the terms of a master lend-lease agreement with the Soviet Government signed on June 11, 1942. Aid on this basis was ordered halted on V-J Day, September 2, 1945, and no further shipments were made except for goods then in process of loading or in transit to shipside. Aid rendered from V-E Day, May 12, 1945, to V-J Day, September 2, 1945, was solely for support of the Soviet Far Eastern Army and the strengthening of this area for operations against Japan. Ninety-five merchant ships now remain in Soviet possession out of the 126 which were transferred under the terms of the master agreement of June 11, 1942. The Soviet Government has now agreed to commence discussions for settlement of its obligations for lend-lease aid rendered under this agreement. These discussions will include the disposition of the 95 merchant ships.

### Lend-Lease Shipments to the Soviet Union Since V-J Day

On V-J Day, September 2, 1945, there remained in warehouses and in production, quantities of lend-lease articles which had been ordered for the Union of Soviet Socialist Republics during the period of hostilities. These articles were the residue of a larger quantity of orders, many of which were cancelled shortly after the cessation of hostilities in Europe on V-E Day, May 12, 1945. On October 15, 1945, an agreement was concluded with the Government of the Union of Soviet Socialist Republics under section 3(c) of the Lend-Lease Act which reads in part as follows:

“ . . . until July 1, 1949, any of such powers may be exercised to the extent necessary to carry out a contract or agreement with such a foreign government made before July 1, 1946 . . . ”.

The agreement of October 15, 1945, was con-

cluded independently of the master lend-lease agreement of June 11, 1942. Under its terms the Government of the United States agreed to deliver and the Government of the Union of Soviet Socialist Republics agreed to accept under terms of payment stated below a specific quantity of these residual supplies. The supplies included in the schedules of this agreement consist primarily of industrial and transportation equipment fabricated to Soviet specifications. (No arms, ammunition, or implements of war were included for shipment under the agreement of October 15, 1945. It will also be noted from the tables below that no cargo trucks were included in the “pipeline” schedule.) As a whole this equipment would have brought a limited return if disposed of in the United States as surplus. In many instances contract-cancellation charges for material still in production on V-J Day would have been excessive. Up to December 31, 1946, materials valued at \$233,000,000 had been transferred to the Soviet Government under this agreement and only about \$17,000,000 of equipment still remained untransferred either located at warehouses or in production. All transfers are now suspended pending consideration by the Congress.

The articles shipped after V-J Day and up to December 31, 1946, were as follows:

Machine tools	\$40,850,000
Steam locomotives (Russian gage)	30,634,000
Generator sets	22,800,000
Cranes, derricks, hoists, etc.	8,129,000
Electric rotating equipment	8,633,000
Marine engines	6,824,000
Canned tushonka	4,054,000
Pumps	4,620,000
Crushing equipment	4,135,000
Valves and fittings	5,114,000
Gas-producing equipment	4,177,000
Secondary metal-forming machinery	4,956,000
Diesel electric locomotives (Russian gage)	3,001,000
Industrial trucks and tractors	3,768,000
Fan and blower equipment	3,182,000
Power-transmission equipment	3,162,000
Power-conversion equipment	3,117,000
Rolling mills and equipment	3,372,000
Mine and quarry machinery	3,690,000
Insulated wire and cable	3,765,000
Bearings	2,893,000

<sup>1</sup> Statement prepared by the Department of State and presented to the Senate on Apr. 18 by Arthur H. Vandenberg, President *pro tempore* of the Senate.

Metal-melting and heating furnaces	\$2, 079, 000
Welding machinery	2, 965, 000
Metal-cutting tools	2, 289, 000
Mine-type locomotives	2, 085, 000
Leather	2, 117, 000
Various industrial equipment and materials	46, 589, 000
Total	\$233, 000, 000

The equipment remaining to be transferred to the Soviet Government under the agreement is made up as follows:

Oil-refinery equipment	
Equipment to expand refineries shipped to the U.S.S.R. before the cessation of hostilities 9/2/45	\$6, 972, 000

Mine hoists	\$3, 058, 000
Locomotive storage batteries	1, 777, 000
Power equipment	1, 272, 000
Electrical equipment	945, 000
Mining equipment	674, 000
Electric motors and controllers	350, 000
Miscellaneous machinery and equipment	1, 648, 000
Total	\$16, 696, 000

Payment for articles covered by the "pipeline" agreement as set forth above is to be made over a period of 30 years ending in 1975, with interest at 2 $\frac{3}{8}$  percent per annum. The first payment of interest will be due July 1, 1947. The first payment of principal will be due July 1, 1954.

## Protocol on Establishment of Four Power Naval Commission, Disposal of Excess Units of Italian Fleet, and Return by Soviet Union of Warships on Loan

*Protocol signed at Paris February 10, 1947, by representatives of the United States, United Kingdom, Union of Soviet Socialist Republics, and France, on the establishment of a Four Power Naval Commission, the disposal of excess units of the Italian Fleet, and the return by the Soviet Union of warships on loan*

### PART I

WHEREAS the Treaty of Peace with Italy provides that all the excess units of the Italian Fleet, as listed in Annex XII B of the said Treaty, shall be placed at the disposal of the Governments of the Union of Soviet Socialist Republics, the United Kingdom of Great Britain and Northern Ireland, the United States of America, and of France;

AND WHEREAS it is necessary to make provision for the final disposal among certain Allied and Associated Powers of the said excess units;

The Governments of the Union of Soviet Socialist Republics, the United Kingdom of Great Britain and Northern Ireland, the United States of America, and of France have therefore agreed as follows:

1. The excess units of the Italian Fleet as listed in Annex XII B of the Treaty of Peace with Italy, and as finally verified on 1st January 1947, shall be allocated as set out in the Annex to this Protocol. No modification of the list of ships in Annex XII B will be accepted, irrespective of the date of any

damage to or loss of such ships, the Italian Government being held responsible for the security and maintenance of such excess units up to the time at which each transfer is completed.

2. Upon transfer by the Italian Government, the vessels concerned shall respectively vest in full ownership in the States hereby becoming entitled thereto, subject to the following exceptions:

(a) The Governments of the Soviet Union and of France take note: that the Governments of the United Kingdom and of the United States of America have undertaken to meet, at least in part, and out of the tonnage at their disposal, the claims of certain other Powers for Italian naval vessels; furthermore, that in regard to any such Italian naval vessels as the Government of the United States of America may elect to transfer to other Powers, the Government of the United States of America will accept temporary custody only, and, upon transfer of custody by the United States Government to any such Power, full ownership will pass from the Italian Government to that Power.

(b) None of the Governments concerned shall be obliged to accept any ship assigned to it under this Protocol if such Government deems the ship unsuitable for its purpose, but in that case the Four Powers shall ensure that such ship, unless it is an auxiliary naval vessel, be scrapped or sunk by the Italian Government within nine months from the coming into force of the Treaty.

3. A Commission, to be known as the Four Power Naval Commission, shall be set up, to meet for the first time immediately after the signature both of the Treaty of Peace with Italy and of this Protocol. This Commission shall make all detailed arrangements necessary to effect the transfer of the excess units of the Italian Fleet, together with their spare parts and armament stores, to the beneficiary Powers, in conformity with the naval clauses of the said Treaty.

4. By invitation of the French Government, the Commission will meet in Paris, where it will operate under the authority of the Council of Foreign Ministers, and carry out all preliminary work practicable prior to the coming into force of the Treaty.

5. Upon the coming into force of the Treaty, the Commission will move to Rome, where it will operate under the authority of the Ambassadors of the Soviet Union, the United Kingdom, the United States of America and France.

6. All orders and instructions by the Commission shall be issued in the name of the four Ambassadors, and shall be communicated by them to the Italian Government for execution.

7. The Commission shall have the right to co-opt the services of representatives of Greece, Yugoslavia and Albania, when matters affecting these States are under discussion, and to call for such Italian representation as may be found necessary to the execution of the work of the Commission.

8. The Annex to this Protocol will be published at a later date.

## PART II

AND WHEREAS, by agreement between the Governments of the Union of Soviet Socialist Republics, the United Kingdom of Great Britain and Northern Ireland, and the United States of America, certain warships of the Royal Navy and of the United States Navy were, in 1944, transferred on loan to the Government of the Soviet Union;

AND WHEREAS it is necessary to make provision for the return to the Governments of the United Kingdom and of the United States of America of the aforementioned warships now on loan;

The Governments of the Union of Soviet Socialist Republics, the United Kingdom of Great Britain and Northern Ireland, and the United States of America have further agreed as follows:

9. The representatives of the abovementioned three Governments on the Commission shall co-ordinate the arrangements for the return to the Governments of the United States of America and of the United Kingdom of the vessels on loan to the Government of the Soviet Union, as listed in paragraph 10 below. The return of such vessels to United Kingdom and United States ports shall, as far as possible, be effected simultaneously with the transfer to the Soviet Union of the excess units of the Italian Fleet allocated to her.

### 10. *List of Vessels on Loan from the United Kingdom*

	British Name	Temporary Russian Name
<i>Battleship</i>	Royal Sovereign	Archangelsk
<i>Destroyers</i>	St. Albans	Dostoiny
	Brighton	Zharky
	Richmond	Zhyvuchy
	Chelsea	Derzky
	Leamington	Zhguchy
	Roxburgh	Doblestny
	Georgetown	Zhostky
<i>Submarines</i>	Unbroken	B. 2
	Unison	B. 3
	Ursula	B. 4

### *Vessels on Loan from the United States*

	United States Name	Temporary Russian Name
<i>Cruiser</i>	Milwaukee	Murmansk

In faith whereof the Undersigned Plenipotentiaries have signed the present Protocol, which will take effect immediately, the English, French and Russian texts being equally authentic.

Done in Paris this tenth day of February one thousand nine hundred and forty seven.

[Here follow the signatures.]

## THE CONGRESS

Continuing the Authority of the Committee on Interstate and Foreign Commerce To Investigate the Transportation Situation: Report to accompany H. Res. 153. H. Rept. 277, 80th Cong., 1st sess. 1 p.

Reincorporation of Export-Import Bank of Washington: Report to accompany S. 993, a bill to provide for the reincorporation of Export-Import Bank of Washington, and for other purposes. S. Rept. 104, 80th Cong., 1st sess. 2 pp.

Correcting an Error in Section 342 (B) (8) of the Nationality Act of 1940, as Amended: Report to accompany H.R. 2237. H. Rept. 272, 80th Cong., 1st sess. 2 pp.

# Protocol Amending Agreements, Conventions and Protocols on Narcotic Drugs<sup>1</sup>

## THE PRESIDENT'S LETTER OF TRANSMITTAL

*To the Senate of the United States:*

- With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a certified copy of the protocol amending the agreements, conventions and protocols on narcotic drugs concluded at The Hague on January 23, 1912, at Geneva on February 11, 1925 and February 19, 1925, and July 13, 1931, at Bangkok on November 27, 1931 and at Geneva on June 26, 1936.

This protocol was opened for signature at Lake Success, New York on December 11, 1946 and was

signed on behalf of the United States of America on that date.

I transmit also for the information of the Senate the report of the Acting Secretary of State regarding this protocol.

HARRY S. TRUMAN

THE WHITE HOUSE, *April 22, 1947*

(Enclosures: 1. Certified copy of protocol, opened for signature December 11, 1946, amending the agreements, conventions and protocols on narcotic drugs.<sup>2</sup> 2. Report of the Acting Secretary of State.)

## REPORT OF THE ACTING SECRETARY OF STATE

WASHINGTON, *April 21, 1947.*

The PRESIDENT,

*The White House:*

The undersigned, the Acting Secretary of State, has the honor to lay before the President, with a view to its transmission to the Senate to receive the advice and consent of that body to ratification, if his judgment approve thereof, a certified copy of the protocol amending the agreements, conventions and protocols on narcotic drugs concluded at The Hague on January 23, 1912, at Geneva on February 11, 1925 and February 19, 1925, and July 13, 1931, at Bangkok on November 27, 1931 and at Geneva on June 26, 1936.

By resolution adopted February 12, 1946, the General Assembly of the United Nations decided, with certain reservations, to take the steps necessary to ensure the uninterrupted exercise of the functions and powers of a technical and non-political character vested in the League of Nations by virtue of international agreements. Questions with respect to those functions and powers relating to the control of narcotic drugs were referred to the Economic and Social Council with a view to the drafting of amendments made necessary as a

result of the dissolution of the League of Nations and the willingness of the United Nations to assume the international control of narcotic drugs. Accordingly, the Economic and Social Council undertook a study of existing international agreements in order to determine how the administrative and enforcement powers conferred by such agreements on the Council of the League of Nations and other bodies could best be transferred to the United Nations without altering the substantive provisions. Subsequently, a draft protocol adopting certain amendments, as set forth in an accompanying annex, was referred to the General Assembly which, on November 19, 1946, unanimously approved the assumption by the United Nations of the functions and powers exercised by the League of Nations in respect of narcotic drugs. The protocol was opened for signature at Lake Success, New York on December 11, 1946 and was signed by the United States Representative to the United Nations on that date.

The six agreements, conventions and protocols, amendment of which is contemplated by the pres-

<sup>1</sup> S. Exec. N, 80th Cong., 1st sess.

<sup>2</sup> Not printed.



ent protocol, represent the entire field of existing multilateral undertakings of a formal character in regard to narcotic control. They had been drawn up from time to time, as closer collaboration in this field between nations gave reason to expect that they would be accepted by a sufficient number of governments to make further regulation practicable. This explains the existence of six separate international agreements on the subject and the complexity of the control system resulting therefrom. Each of these agreements covers a special aspect of drug control. Each is made effective by its own terms, irrespective of the others, although the 1936 convention does not enumerate the narcotic substances covered by its provisions, merely providing that they are the narcotics referred to in the 1912, 1925, and 1931 conventions.

The Convention for the Suppression of the Abuse of Opium and Other Drugs, signed at The Hague on January 23, 1912, first of the series and antedating the League of Nations, laid the groundwork for drug control by defining raw, prepared, and medicinal opium, morphine, cocaine, and heroin and providing for the adoption of certain measures by the participating Powers for controlling the traffic in those drugs. The United States of America became a contracting party to that convention. The Netherlands Government was designated depositary and remained such until the General Assembly of the League of Nations, by resolution of December 15, 1920, entrusted to the League of Nations, with the consent of the Netherlands Government, the exercise of the powers conferred upon that Government by the Hague Convention. The first Assembly of the League created the Advisory Committee on the Traffic in Opium and Other Dangerous Drugs to secure the fullest cooperation between the various countries in regard to narcotic control and to assist and advise the Council in matters pertaining thereto.

The Agreement Concerning the Manufacture of, Internal Trade in, and Use of Prepared Opium, with Protocol, signed at Geneva on February 11, 1925 by representatives of the British Empire (with India), China, France, Japan, the Netherlands, Portugal, and Siam, was designed to implement Chapter II of the Hague Convention of 1912. The contracting Powers undertook, with respect to Far Eastern possessions or territories, to make the importation, sale and distribution of opium a monopoly of the Government with a view

to the gradual and effective suppression of the trade in, and use of, prepared opium.

The International Convention Relating to Dangerous Drugs, with Protocol, signed at Geneva on February 19, 1925, further strengthened the Hague Convention of 1912 by extending control to ecgonine and Indian hemp, establishing a system of import certificates and export authorizations, and entrusting supervision over such trade to a Permanent Central Opium Board. The contracting powers were required to furnish this Board estimates of annual drug requirements and statistics showing annual drug production. The United States of America did not become a party to the Geneva Convention of 1925. However, it has cooperated with the Permanent Central Opium Board by making the reports which the Board has requested. Since 1933 it has participated in the nomination of candidates for the Board and in the nomination of a representative to join with the Council in the selection of the Board.

The Convention for Limiting the Manufacture and Regulating the Distribution of Narcotic Drugs, with Protocol of Signature, signed at Geneva July 13, 1931, advanced the area of control by limiting the world manufacture of narcotic drugs to the world's medical and scientific needs and by limiting in each country the accumulation of stocks of such drugs. In both cases the limitation was to be accomplished by means of a system of government estimates of annual drug requirements, to be examined by an international supervisory body provided for in the convention and to be binding upon the estimating governments. The United States of America was a signatory to this convention and became a party.

The Agreement for the Control of Opium Smoking in the Far East, signed at Bangkok on November 27, 1931, by representatives of the Governments of the United Kingdom of Great Britain and Northern Ireland, France, India, Japan, the Netherlands, Portugal, and Siam, reaffirmed their desire to suppress and discourage opium smoking by providing that the retail sale and distribution of the drug shall take place only from government shops, in the absence of a system of licensing and rationing of smokers. This agreement was applicable only to Far Eastern possessions or territories of the contracting powers, including leased or protected territories in which the use of prepared opium was temporarily authorized.

To standardize penalties for illicit trafficking and to formalize arrangements for extradition of persons guilty of drug offenses, the Convention for the Suppression of the Illicit Traffic in Dangerous Drugs was signed at Geneva June 26, 1936. The United States of America participated in the consideration of this convention but the convention as drafted was regarded as unacceptable to the United States of America and was not signed by the American delegates.

The present protocol has the effect of lodging in new administrative and judicial bodies created as organs or under the auspices of the United Nations the authority formerly exercised by various bodies. More particularly the transfer of functions in regard to narcotic control may be shown as follows:

#### NARCOTIC CONTROL

Functions of	Transferred to
The Council of the League of Nations	The Economic and Social Council of the United Nations
The Secretary-General of the League of Nations	The Secretary-General of the United Nations
The League of Nations Advisory Committee on Traffic in Opium and Other Dangerous Drugs	The Commission on Narcotic Drugs of the Economic and Social Council of the United Nations
The League of Nations Health Committee and the Permanent Committee of the Office International d'Hygiène publique in Paris	The World Health Organization
The Permanent Court of International Justice	The International Court of Justice

The provisions of the prior agreements, conventions and protocols which refer to states members of the League of Nations and to non-members shall, upon the coming into force of the present amendments, apply to states members of the United Nations and to non-member states. During the period preceding the entry into force of this protocol, the Permanent Central Opium Board and the Supervisory Body established, respectively, by the Geneva conventions of February 19, 1925 and July 13, 1931, shall continue, as constituted, to perform their functions. Thereafter the Board and Supervisory Body will continue to function subject to the amendments contemplated by the present protocol.

A Commission on Narcotic Drugs has been created by the Economic and Social Council of

the United Nations to assist in exercising such authority in respect of narcotic drugs as may be vested in the Council, and particularly to carry out functions formerly entrusted to the League of Nations Advisory Committee on Traffic in Opium and Other Dangerous Drugs. Should the amendments relating to the conventions of February 19, 1925 and July 13, 1931 come into force before the World Health Organization is in a position to assume its functions, the functions conferred on that Organization by the amendments shall, provisionally, be performed by its Interim Commission.

The present protocol provides in Article VII that it shall come into force in respect of each party on the date upon which it has been signed on behalf of that party without reservation as to approval, or upon which an instrument of acceptance has been deposited. The amendments set forth in the Annex shall come into force in respect of each agreement, convention and protocol when a majority of the parties thereto have become parties to the present protocol. However, states which are parties to any of the instruments which are to be amended are invited (Article II, paragraph 3) to apply the amended texts of those instruments so soon as the amendments are in force even if they have not yet been able to become parties to the present protocol.

This protocol does not terminate, amend, or add to the substantive provisions in the instruments mentioned above. It is designed solely to transfer functions and responsibilities in the field of narcotic control from the old organisms to new organisms of, or under the auspices of, the United Nations. The substantive commitments of contracting Powers under the several existing instruments remain as before. No additional financial obligation is imposed on the Government of the United States of America and it does not, by this protocol, become a party to any of the existing instruments to which it is not already a party. The provisions in such existing instruments with respect to the procedure for becoming a party thereto and with respect to denunciation are to remain in effect.

It is of the greatest importance to the world that states collaborate in the interest of unbroken control of the traffic in narcotics, so long as danger of drug addiction remains unabated. The danger is

greater than ever. Because of the recent war there are many new factories engaged in drug manufacture and processing. A number of countries had been cut off from their normal sources of supply and, to assure for themselves the largely increased requirements which the war necessitated for legitimate medical and scientific operations, they found it necessary to cultivate the raw materials and build factories to convert the raw materials into drugs. The danger is increased by scientific progress. Now the straw of the poppy can be

used for making morphine. A new synthetic drug, demerol (isonipecaine), with properties similar to morphine, is being manufactured in many countries. With new drug sources, increased production, and the susceptibility of war-torn peoples to the taking of drugs to escape suffering, there is a pressing need for further concerted effort to avoid the diversion of dangerous and habit-forming drugs into illicit channels.

Respectfully submitted.

DEAN ACHESON

## Report of Operations of the Department of State Under Public Law 584<sup>1</sup>

### THE PRESIDENT'S LETTER OF TRANSMITTAL

*To the Congress of the United States:*

I transmit herewith a report, by the Acting Secretary of State, on the operations of the Department of State under section 32 (b) (2) of Public Law 584, Seventy-ninth Congress, as required by that law.

HARRY S. TRUMAN

THE WHITE HOUSE,  
March 10, 1947

(Enclosure: Report from the Acting Secretary of State concerning Public Law 584.)

### REPORT OF THE ACTING SECRETARY OF STATE

In accordance with section 32 of the Surplus Property Act of 1944, as amended August 1, 1946, the following report is submitted covering operations under paragraph 32 (b) (2) of the act during the period August 1 through December 31, 1946.<sup>2</sup>

The activities of the Department of State during this period have been confined to the preliminary fiscal and administrative arrangements required for the establishment of a program of international educational exchanges, within the restrictions imposed by the act.

As of December 31, 1946, sales of surplus war property abroad, developing local currencies avail-

able under the act for educational programs, have been made to the following countries: United Kingdom, Australia, New Zealand, Czechoslovakia, Greece, Hungary, Poland, Norway, Finland, Netherlands, Belgium, France, Italy, India, Iran, Turkey, Egypt, Lebanon, Saudi-Arabia, Ethiopia, China, Netherlands Indies, Philippines, Austria, Korea, and Siam. Sales in process of negotiation may, when consummated, make it possible to develop programs in several other countries.

As of the close of the calendar year 1946 none of the Executive agreements required by the act had been concluded. No American citizens were attending schools or institutions pursuant to such agreements, and no currencies or credits for currencies had been expended for any of the purposes under paragraph 32 (b) (2) of the act.

It is to be expected that during the 1947 calendar year the Executive agreements will be negotiated, and the Board of Foreign Scholarships will be appointed, as provided for in the act. Ample time will then be permitted for the filing of applications for fellowships, in order to give equal opportunity to all those interested. The first fellowships are expected to commence in 1948.

### Foreign Commerce Weekly

The following article of interest to BULLETIN readers appeared in the April 19, 1947, issue of *Foreign Commerce Weekly*, a publication of the Department of Commerce, copies of which may be obtained from the Superintendent of Documents, Government Printing Office, for 15 cents each:

"Malaya Makes Some Progress in Its First Full Year of Peace", by Max Seitelman, Vice Consul, American Consulate General, Singapore.

<sup>1</sup> H. Doc. 167, 80th Cong., 1st sess. Public Law 584 is an act to amend the Surplus Property Act of 1944 and to designate the Department of State as the disposal agency for surplus property outside the continental United States, its territories and possessions, and for other purposes.

<sup>2</sup> BULLETIN of Aug. 11, 1946, p. 262.

## Authorizing the Secretary of the Navy To Transfer Certain Vessels and Material and To Furnish Certain Assistance to the Republic of China<sup>1</sup>

WHEREAS the act of July 16, 1946, Public Law 512, Seventy-ninth Congress, provides, in part:

"That notwithstanding the provisions of any other law, the President is authorized, whenever in his discretion the public interests render such a course advisable, or will assist in relieving United States forces of duty in China or putting the Government of the Republic of China in better position to protect or improve the safety of navigation in its waters, to provide to the Republic of China such naval services, training, plans, and technical advice as he may deem proper; and to dispose of naval vessels and craft, not to exceed two hundred and seventy-one vessels and craft under authority of this Act, which are in excess of the naval needs of the United States, floating drydocks of capacity sufficient to accommodate any vessel or craft disposed of under authority of this Act, and material necessary for the operation and maintenance of the vessels and craft disposed of under authority of this Act and for the training of the crews of such vessels and craft, to the Republic of China by sale, exchange, lease, gift, or transfer for cash, credit, or other property, with or without warranty, or upon such other terms and conditions as he may deem proper: *Provided*, That prior to the disposition under the authority of this Act of any battleship, aircraft carrier of any type, cruiser, destroyer (but not destroyer escort), or submarine the President shall first obtain the authority of the Congress in each instance: *Provided further*, That no information, plans, advice, material, documents, blueprints, or other papers, bearing a secret or top-secret classification shall be disposed of or transferred under authority of this Act.

"Sec. 2. The President is authorized, upon application from the Republic of China, and whenever in his discretion the public interests render such a course advisable, to detail not to exceed one hundred officers and two hundred enlisted men of the United States Navy and Marine Corps to assist the Republic of China in naval matters: *Provided*, That United States naval or Marine Corps personnel shall not accompany Chinese troops, air-

craft, or ships on other than training maneuvers or cruises . . ."

WHEREAS the Republic of China has requested the United States to transfer to it certain specified naval vessels, craft, and floating drydocks, and to furnish it certain technical advice and assistance in connection with the organization and maintenance by it of a naval establishment; and

WHEREAS such vessels and craft are in excess of the naval needs of the United States; and

WHEREAS it appears that the transfer of such vessels, craft, and floating drydocks, and the furnishing of such advice and assistance to the Republic of China would be in accordance with the conditions and limitations of the said act of July 16, 1946, and would be in the public interest:

*Now, therefore*, by virtue of the authority vested in me by the said act of July 16, 1946, and as President of the United States and as Commander in Chief of the Army and Navy of the United States, it is hereby ordered as follows:

Section 1. Subject to the conditions and limitations contained in the said act of July 16, 1946, the Secretary of the Navy is authorized:

(a) To transfer to the Republic of China without compensation the said vessels, craft, and floating drydocks.

(b) To repair, outfit, and equip the vessels, craft, and floating drydocks which are to be transferred under paragraph (a) of this section, and to transfer material deemed by the Secretary of the Navy to be necessary for the operation and maintenance of the vessels and craft so transferred, all on the basis of cash reimbursement of the cost thereof by the Republic of China.

(c) To furnish to the Republic of China such plans, blueprints, documents, and other information in connection with such vessels, craft, and floating drydocks, and such technical information and advice in connection with the organization and maintenance of a naval establishment by the

<sup>1</sup> Ex. Or. 9843 (12 *Federal Register* 2763).

Republic of China which has not been classified as secret or top-secret as the Secretary of the Navy may deem proper.

(d) To train personnel for the operation of such vessels, craft, and floating drydocks, and for such other naval purposes as the Secretary of the Navy may deem proper.

(e) To detail not more than one hundred officers and two hundred enlisted men of the United States Navy or Marine Corps to assist the Republic of China in naval matters under such conditions and subject to such rules and regulations as the Secretary of the Navy may prescribe.

Section 2. The authority hereby granted shall be exercised by the Secretary of the Navy subject to concurrence by the Secretary of State; and if at any time the Secretary of State shall determine that the transfer of further vessels and craft or material would not be in the public interest, such transfers shall be discontinued.

HARRY S. TRUMAN

THE WHITE HOUSE

April 25, 1947

## U. S. Military Attachés in China Returned by Communist Captors

[Released to the press April 22]

According to recent Chinese Communist broadcasts, Maj. Robert B. Rigg and Capt. John W. Collins, Assistant Military Attachés of the American Embassy at Nanking who were captured by Communist troops on March 1, were released at noon April 24. Following the procedure outlined in the Chinese Communist broadcast, United States representatives were sent to a rendezvous at Hungfangtze, a place northeast of Changchun, to meet Rigg and Collins at the time appointed for their release. The American representatives were Oliver Edmund Clubb, United States Consul General at Harbin, and Lt. Col. Edward T. Cowen, Assistant Military Attaché at the United States Embassy.

## Visiting Lecturer of Ceramics to Honduras

James Marek, consultant in ceramics, Indianapolis, Indiana, has been awarded a grant-in-aid by the Department of State to enable him to serve as visiting lecturer of ceramics at the Escuela Nacional de Bellas Artes, Tegucigalpa, Honduras.

## Philippine Vice President and Foreign Secretary To Visit U.S.

[Released to the press April 21]

Elpidio Quirino, Vice President and concurrently Secretary of Foreign Affairs of the Republic of the Philippines, has accepted the invitation of this Government to visit the United States.

The Vice President will remain in Honolulu and San Francisco for a few days and is expected to arrive in Washington May 6. The party will be the guests of this Government at the Blair House.

## Control of Coal Exports in Western Zones of Germany

[Released to the press simultaneously in Washington, London, and Paris on April 21]

It was announced jointly on April 21 by the American, British, and French Governments that an arrangement has been made to fix the proportion of coal exports from their zones of occupation in Germany to the coal-importing countries of Europe for the six-month period beginning July 1, 1947. Exports will be fixed in terms of percentages of net merchantable coal production beginning at 21 percent when the daily output of clean bituminous and anthracite coal in the western zones reaches 280,000 tons a day, and rising to 25 percent when it reaches 370,000 tons a day.

The scale of percentages takes account on the one hand of the needs of coal for the reconstruction of the liberated countries of Europe who have always been dependent on imports of German coal; and on the other of the essential industrial and other requirements of the German economy.

The arrangement will facilitate planning both by the coal-importing countries and by the authorities in charge of the economics in Germany. It is subject to review at the end of 1947.

It has also been decided that when the economic incorporation of the Saar with France has been decided upon, a joint notification will be made to the European Coal Organization, indicating that in future France will present to ECO both the resources and the needs of France and the Saar as a whole, and inviting ECO to take account of this new situation.

The present arrangement represents the results of long discussions and has been confirmed by the three Foreign Ministers.

## Visit of President of Mexico

At the invitation of President Truman, His Excellency Miguel Alemán, President of Mexico, arrived in Washington on April 29 to be the official guest of the United States Government until May 7. His visit was the first official visit by a Mexican President in office to this country's capital. After remaining several days in Washington, the official party visited New York, N. Y., Chattanooga, Tenn., and Kansas City, Mo.

## Elisabeth Enochs To Attend Institute for Protection of Childhood

[Released to the press April 22]

The Acting Secretary of State announced on April 22 that Mrs. Elisabeth Shirley Enochs, Director of the Inter-American Cooperation Service of the Children's Bureau, Social Security Administration, Federal Security Agency, has been designated as alternate technical delegate of the United States to attend the regular annual meeting of the Executive Council of the American International Institute for the Protection of Childhood. This meeting is scheduled to be held at Montevideo, Uruguay, beginning on April 25, 1947.

The Institute was established with headquarters at Montevideo in 1927 in accordance with a resolution of the Fourth Pan American Child Congress (1924). A permanent official pan-American agency for the promotion of child welfare in the American republics, the Institute is a center of social action, information, advice, and study of all questions relating to child life and welfare. The Executive Council, which is composed of representatives of member states, directs the Institute's activities.

United States participation in the American International Institute for the Protection of Childhood was authorized by Congress in 1928. Since that time Miss Katharine F. Lenroot, Chief, United States Children's Bureau, has been the technical delegate of the United States. Due to prior commitments she is unable to attend this meeting, and Mrs. Enochs, who has attended four of the Council meetings in the past seven years, is going in her stead. Mrs. Enochs' trip will include stopovers at Rio de Janeiro and Lima where she will have consultations with field representatives of the Children's Bureau.

May 4, 1947

## New Salesroom Opened

Publications of the Department of State and selected publications of other Government agencies are now being sold in Room 120 at 1778 Pennsylvania Avenue NW., one of the buildings occupied by the Department of State. The salesroom was opened as a convenience to visitors to the Department and to persons in Washington. It is operated by an agent of the Superintendent of Documents. Mail orders for the Department's publications should be addressed as in the past to the Superintendent of Documents, Government Printing Office, Washington 25, D.C.

## Paul A. Porter Resigns

The President on April 25 accepted the resignation of Paul A. Porter as Chief of the American Economic Mission to Greece with the personal rank of Ambassador. For texts of Mr. Porter's letter and the President's reply, see White House press release of April 25.

## Confirmations to the United Nations

The Senate on April 21, 1947, confirmed the Executive nominations of Warren R. Austin to be the Representative of the United States of America to the special session of the General Assembly of the United Nations; and of Herschel V. Johnson to be the Alternate Representative of the United States of America to the special session of the General Assembly of the United Nations.

## THE FOREIGN SERVICE

### Confirmations to the Diplomatic and Foreign Service

The Senate on April 9 confirmed the following nominations:

*Ambassadors Extraordinary and Plenipotentiary of the United States of America to the Countries Named*

Willard L. Beaulac, to Colombia  
Walter J. Donnelly, to Costa Rica  
John F. Simmons, to Ecuador  
Albert F. Nufer, to El Salvador  
Paul C. Daniels, to Honduras  
Henry F. Grady, to India  
Fletcher Warren, to Paraguay  
John C. Wiley, to Portugal  
Edward F. Stanton, to Siam  
Williamson S. Howell, Jr., to Uruguay  
Cavendish W. Cannon, to Yugoslavia

*Envoys Extraordinary and Ministers Plenipotentiary of the United States of America to the Countries Named*

Selden Chapin, to Hungary  
George A. Garrett, to Ireland  
Paul H. Alling, to the Republic of Syria

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# Contributors

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*The Department of State*

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# bulletin

*Supplement*

## AID TO GREECE AND TURKEY

*A Collection of State Papers*

Vol. XVI, No. 409 A  
May 4, 1947





# *The Department of State* bulletin

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May 4, 1947

## SUPPLEMENT

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# AID TO GREECE AND TURKEY

## Greek Government Seeks U.S. Financial Aid

### MESSAGE TO THE PRESIDENT AND THE SECRETARY OF STATE FROM THE GREEK PRIME MINISTER AND THE MINISTER FOR FOREIGN AFFAIRS<sup>1</sup>

SIR: I have the honor, on instructions of my Government, to convey the following urgent message to His Excellency the President of the United States and to Your Excellency:

"Owing to the systematic devastation of Greece, the decimation and debilitation of her people and the destruction of her economy through four invasions and protracted enemy occupation, as well as through disturbances in the wake of war, and despite the valuable assistance rendered by our Allies during and after the war for which the Greek people feel profoundly grateful, further and immediate assistance has unfortunately become vital. It is impossible to exaggerate the magnitude of the difficulties that beset those survivors in Greece who are devoting themselves to the restoration of their country. Such means of survival as remained to the Greek people after the enemy withdrew have now been exhausted so that today Greece is without funds to finance the import even of those consumption goods that are essential for bare subsistence. In such circumstances the Greek people cannot make progress in attacking the problems of reconstruction, though substantial reconstruction must be begun if the situation in Greece is not to continue to be critical.

"The Greek Government and people are therefore compelled to appeal to the Government of the United States and through it to the American people for financial, economic and expert assistance. For Greece to survive she must have:

"1. The financial and other assistance which will enable her immediately to resume purchases of the food, clothing, fuel, seeds and the like that are indispensable for the subsistence of her people and that are obtainable only from abroad.

"2. The financial and other assistance necessary to enable the civil and military establishments of the Government to obtain from abroad the means

of restoring in the country the tranquillity and feeling of security indispensable to the achievement of economic and political recovery.

"3. Aid in obtaining the financial and other assistance that will enable Greece and the Greek people to create the means for self-support in the future. This involves problems which unhappily cannot be solved unless we surmount the crisis immediately confronting us.

"4. The aid of experienced American administrative, economic and technical personnel to assure the utilization in an effective and up-to-date manner of the financial and other assistance given to Greece, to help to restore a healthy condition in the domestic economy and public administration and to train the young people of Greece to assume their responsibilities in a reconstructed economy.

"The need is great. The determination of the Greek people to do all in their power to restore Greece as a self-supporting, self-respecting democracy is also great; but the destruction in Greece has been so complete as to rob the Greek people of the power to meet the situation by themselves. It is because of these circumstances that they turn to America for aid.

"It is the profound hope of the Greek Government that the Government of the United States will find a way to render to Greece without delay the assistance for which it now appeals.

"Signed: D. MAXIMOS, Prime Minister, C. TSALDARIS, Deputy Prime Minister and Minister for Foreign Affairs."

Accept [etc.] PAUL ECONOMOU-GOURAS

His Excellency GEORGE C. MARSHALL

*Secretary of State*

*Washington, D. C.*

<sup>1</sup> Delivered by the Chargé d'Affaires of Greece in Washington on Mar. 3, 1947, and released to the press on Mar. 4.

## STATEMENT BY THE SECRETARY OF STATE

[Released to the press March 4]

For some time this Government has been endeavoring in various ways to assist in the restoration of the economy of Greece. Spurred by appeals from the Greek Government, it has been studying ways and means of providing additional assistance. This study impelled the dispatch of the economic mission headed by Paul A. Porter which is now in Greece. It has also involved consultations and exchanges of ideas with the Greek Government and the British Government, which has likewise been bending every effort to help Greece.

Recently reports from our own representatives and from the Greek and British Governments have shown that the economic condition of Greece has deteriorated to the verge of collapse. The Greek

Government has renewed its request for help. In the light of the world situation, this is a matter of primary importance to the United States. It has received the urgent attention of the President and the executive agencies concerned. It has been discussed with the appropriate congressional leaders.

I cannot say anything today regarding the action which may be taken, other than that a full public statement will be made very soon, when the executive agencies have completed their consideration of the matter. The problems involved are so far-reaching and of such transcendent importance that any announcement relating to them could properly come only from the President himself. The final decisions will rest with the President and the Congress.

## Recommendations on Greece and Turkey

### MESSAGE OF THE PRESIDENT TO THE CONGRESS<sup>1</sup>

MR. PRESIDENT, MR. SPEAKER, MEMBERS OF THE  
CONGRESS OF THE UNITED STATES:

The gravity of the situation which confronts the world today necessitates my appearance before a joint session of the Congress.

The foreign policy and the national security of this country are involved.

One aspect of the present situation, which I wish to present to you at this time for your consideration and decision, concerns Greece and Turkey.

The United States has received from the Greek Government an urgent appeal for financial and economic assistance. Preliminary reports from the American Economic Mission now in Greece and reports from the American Ambassador in Greece corroborate the statement of the Greek Government that assistance is imperative if Greece is to survive as a free nation.

I do not believe that the American people and the Congress wish to turn a deaf ear to the appeal of the Greek Government.

Greece is not a rich country. Lack of sufficient natural resources has always forced the Greek people to work hard to make both ends meet. Since 1940 this industrious and peace-loving country has suffered invasion, four years of cruel enemy occupation, and bitter internal strife.

When forces of liberation entered Greece they found that the retreating Germans had destroyed virtually all the railways, roads, port facilities, communications, and merchant marine. More than a thousand villages had been burned. Eighty-five percent of the children were tubercular. Livestock, poultry, and draft animals had almost disappeared. Inflation had wiped out practically all savings.

As a result of these tragic conditions, a militant minority, exploiting human want and misery, was able to create political chaos which, until now, has made economic recovery impossible.

Greece is today without funds to finance the

importation of those goods which are essential to bare subsistence. Under these circumstances the people of Greece cannot make progress in solving their problems of reconstruction. Greece is in desperate need of financial and economic assistance to enable it to resume purchases of food, clothing, fuel, and seeds. These are indispensable for the subsistence of its people and are obtainable only from abroad. Greece must have help to import the goods necessary to restore internal order and security so essential for economic and political recovery.

The Greek Government has also asked for the assistance of experienced American administrators, economists, and technicians to insure that the financial and other aid given to Greece shall be used effectively in creating a stable and self-sustaining economy and in improving its public administration.

The very existence of the Greek state is today threatened by the terrorist activities of several thousand armed men, led by Communists, who defy

<sup>1</sup> Delivered by the President before a joint session of Congress on Mar. 12, 1947, and released to the press by the White House on the same date. This message has also been printed as Department of State publication 2785. The full text of the President's speech was translated into eight languages and broadcast at differing times to Europe, the Soviet Union, and the Far East. Summaries of the speech were broadcast several times in all the 25 languages of the "Voice of the United States of America".

As the President was speaking at the Capitol, a "live" broadcast of his voice was transmitted to Europe and to the Middle East through relay at Algiers. A recording of the President's voice was broadcast to Latin America at 5:30 and 9:25 p.m. on March 12; to the Far East at 5:30 p.m. on March 12 and at 5 and 8:30 a.m. on March 13; and to Europe and the Middle East at 5:30 a.m. on March 13. With the time changes around the world, the rebroadcasts carried the President's voice to all parts of the world at the most favorable listening hours during the morning, afternoon, and evening.

Since the "Voice of the United States of America" does not include the Greek and Arabic languages, the President's message was heard in Greece and Turkey only in the English language.

the Government's authority at a number of points, particularly along the northern boundaries. A commission appointed by the United Nations Security Council is at present investigating disturbed conditions in northern Greece and alleged border violations along the frontier between Greece on the one hand and Albania, Bulgaria, and Yugoslavia on the other.<sup>2</sup>

Meanwhile, the Greek Government is unable to cope with the situation. The Greek Army is small and poorly equipped. It needs supplies and equipment if it is to restore authority to the Government throughout Greek territory.

Greece must have assistance if it is to become a self-supporting and self-respecting democracy.

The United States must supply that assistance. We have already extended to Greece certain types of relief and economic aid, but these are inadequate.

There is no other country to which democratic Greece can turn.

No other nation is willing and able to provide the necessary support for a democratic Greek Government.

The British Government, which has been helping Greece, can give no further financial or economic aid after March 31. Great Britain finds itself under the necessity of reducing or liquidating its commitments in several parts of the world, including Greece.

We have considered how the United Nations might assist in this crisis. But the situation is an urgent one requiring immediate action, and the United Nations and its related organizations are not in a position to extend help of the kind that is required.

It is important to note that the Greek Government has asked for our aid in utilizing effectively the financial and other assistance we may give to Greece, and in improving its public administration. It is of the utmost importance that we supervise the use of any funds made available to Greece, in such a manner that each dollar spent will count toward making Greece self-supporting, and will help to build an economy in which a healthy democracy can flourish.

No government is perfect. One of the chief virtues of a democracy, however, is that its defects are always visible and under democratic processes can be pointed out and corrected. The Govern-

ment of Greece is not perfect. Nevertheless it represents 85 percent of the members of the Greek Parliament who were chosen in an election last year. Foreign observers, including 692 Americans, considered this election to be a fair expression of the views of the Greek people.

The Greek Government has been operating in an atmosphere of chaos and extremism. It has made mistakes. The extension of aid by this country does not mean that the United States condones everything that the Greek Government has done or will do. We have condemned in the past, and we condemn now, extremist measures of the right or the left. We have in the past advised tolerance, and we advise tolerance now.

Greece's neighbor, Turkey, also deserves our attention.

The future of Turkey as an independent and economically sound state is clearly no less important to the freedom-loving peoples of the world than the future of Greece. The circumstances in which Turkey finds itself today are considerably different from those of Greece. Turkey has been spared the disasters that have beset Greece. And during the war the United States and Great Britain furnished Turkey with material aid.

Nevertheless, Turkey now needs our support.

Since the war Turkey has sought additional financial assistance from Great Britain and the United States for the purpose of effecting that modernization necessary for the maintenance of its national integrity.

That integrity is essential to the preservation of order in the Middle East.

The British Government has informed us that, owing to its own difficulties, it can no longer extend financial or economic aid to Turkey.

As in the case of Greece, if Turkey is to have the assistance it needs, the United States must supply it. We are the only country able to provide that help.

I am fully aware of the broad implications involved if the United States extends assistance to Greece and Turkey, and I shall discuss these implications with you at this time.

One of the primary objectives of the foreign policy of the United States is the creation of conditions in which we and other nations will be able to work out a way of life free from coercion. This was a fundamental issue in the war with Germany and Japan. Our victory was won over countries

<sup>2</sup> BULLETIN of Jan. 5, 1947, p. 23

which sought to impose their will, and their way of life, upon other nations.

To insure the peaceful development of nations, free from coercion, the United States has taken a leading part in establishing the United Nations. The United Nations is designed to make possible lasting freedom and independence for all its members. We shall not realize our objectives, however, unless we are willing to help free peoples to maintain their free institutions and their national integrity against aggressive movements that seek to impose upon them totalitarian regimes. This is no more than a frank recognition that totalitarian regimes imposed upon free peoples, by direct or indirect aggression, undermine the foundations of international peace and hence the security of the United States.

The peoples of a number of countries of the world have recently had totalitarian regimes forced upon them against their will. The Government of the United States has made frequent protests against coercion and intimidation, in violation of the Yalta agreement, in Poland, Rumania, and Bulgaria. I must also state that in a number of other countries there have been similar developments.

At the present moment in world history nearly every nation must choose between alternative ways of life. The choice is too often not a free one.

One way of life is based upon the will of the majority, and is distinguished by free institutions, representative government, free elections, guarantees of individual liberty, freedom of speech and religion, and freedom from political oppression.

The second way of life is based upon the will of a minority forcibly imposed upon the majority. It relies upon terror and oppression, a controlled press and radio, fixed elections, and the suppression of personal freedoms.

I believe that it must be the policy of the United States to support free peoples who are resisting attempted subjugation by armed minorities or by outside pressures.

I believe that we must assist free peoples to work out their own destinies in their own way.

I believe that our help should be primarily through economic and financial aid which is essential to economic stability and orderly political processes.

The world is not static, and the *status quo* is not sacred. But we cannot allow changes in the *status*

*quo* in violation of the Charter of the United Nations by such methods as coercion, or by such subterfuges as political infiltration. In helping free and independent nations to maintain their freedom, the United States will be giving effect to the principles of the Charter of the United Nations.

It is necessary only to glance at a map to realize that the survival and integrity of the Greek nation are of grave importance in a much wider situation. If Greece should fall under the control of an armed minority, the effect upon its neighbor, Turkey, would be immediate and serious. Confusion and disorder might well spread throughout the entire Middle East.

Moreover, the disappearance of Greece as an independent state would have a profound effect upon those countries in Europe whose peoples are struggling against great difficulties to maintain their freedoms and their independence while they repair the damages of war.

It would be an unspeakable tragedy if these countries, which have struggled so long against overwhelming odds, should lose that victory for which they sacrificed so much. Collapse of free institutions and loss of independence would be disastrous not only for them but for the world. Discouragement and possibly failure would quickly be the lot of neighboring peoples striving to maintain their freedom and independence.

Should we fail to aid Greece and Turkey in this fateful hour, the effect will be far-reaching to the West as well as to the East.

We must take immediate and resolute action.

I therefore ask the Congress to provide authority for assistance to Greece and Turkey in the amount of \$400,000,000 for the period ending June 30, 1948. In requesting these funds, I have taken into consideration the maximum amount of relief assistance which would be furnished to Greece out of the \$350,000,000 which I recently requested that the Congress authorize for the prevention of starvation and suffering in countries devastated by the war.

In addition to funds, I ask the Congress to authorize the detail of American civilian and military personnel to Greece and Turkey, at the request of those countries, to assist in the tasks of reconstruction, and for the purpose of supervising the use of such financial and material assistance as may be furnished. I recommend that authority



also be provided for the instruction and training of selected Greek and Turkish personnel.

Finally, I ask that the Congress provide authority which will permit the speediest and most effective use, in terms of needed commodities, supplies, and equipment, of such funds as may be authorized.

If further funds, or further authority, should be needed for purposes indicated in this message, I shall not hesitate to bring the situation before the Congress. On this subject the Executive and Legislative branches of the Government must work together.

This is a serious course upon which we embark.

I would not recommend it except that the alternative is much more serious.

The United States contributed \$341,000,000,000 toward winning World War II. This is an investment in world freedom and world peace.

The assistance that I am recommending for

Greece and Turkey amounts to little more than one tenth of one percent of this investment. It is only common sense that we should safeguard this investment and make sure that it was not in vain.

The seeds of totalitarian regimes are nurtured by misery and want. They spread and grow in the evil soil of poverty and strife. They reach their full growth when the hope of a people for a better life has died.

We must keep that hope alive.

The free peoples of the world look to us for support in maintaining their freedoms.

If we falter in our leadership, we may endanger the peace of the world—and we shall surely endanger the welfare of our own Nation.

Great responsibilities have been placed upon us by the swift movement of events.

I am confident that the Congress will face these responsibilities squarely.

# Messages From the Greek Prime Minister and the Leader of the Parliamentary Opposition

## STATEMENT BY PRESIDENT TRUMAN

[Released to the press by the White House March 15]

I have just received two warm and appreciative messages from Greece, one from Prime Minister Maximos and one from Mr. Themistocles Sophoulis, leader of the Parliamentary Opposition. Both of these messages welcome the prospect of the kind of American assistance which I recently requested Congress to authorize and pledge the whole-hearted support of the Greek people in devoting any aid that may be forthcoming to the purpose of constructive rehabilitation and the cause of peace and freedom. These two statements bear witness to the fact that all of the Greek Parliament, including the Opposition as well as those parties now represented in the Coalition cabinet, are prepared to cooperate unreservedly with the United States Government in its desire to assist Greece in restoring those basic

conditions of economic stability and internal order which will allow the Greek people to build their future in peace and security.

I sincerely hope that these evidences of good-will mark the beginning of a happier era for Greece, in which all loyal citizens will contribute their share toward the restoration of a country of whose democratic history they may be proud. It is also my profound hope that those Greeks who have taken up arms against their government will accept with confidence the amnesty which the Greek Government is extending to all except those guilty of crimes against the common law. The Greek people, aware of the sympathetic interest of the American people, will, I am sure, rally their strength to vitalize their national life, forgetting past excesses and looking courageously toward a hopeful future.

## TEXTS OF MESSAGES

[Released to the press by the White House March 15]

His Excellency HARRY TRUMAN,  
*President of the United States.*

MY DEAR MR. PRESIDENT:

It is with great emotion that I hasten to express to you the gratitude of the Greek Government, as well as my own, for your momentous address to Congress. It is destined to have a decisive influence on the future of the world, and especially on that of our Greek people, a significant encouragement in the just and noble struggle they are waging for the principles of freedom and democracy. You are aware that the Greek people have long ago chosen between the two ways of life which constitute at the present historical moment the only choice for the peoples of the world. This way of life, which is based upon the will of the majority and distinguished by free institutions, representative governments, free elections, and guarantees of individual liberty, has been ours for thousands

of years. That is why we defied the Axis forces which accumulated upon our people innumerable calamities. That is also why we are now facing a subversive movement of a militant minority which is supported from abroad and is seeking to impose its will upon the majority of the people by force of arms and terrorism. This struggle is an exceptionally hard one because it has found the nation exhausted by the devastation wrought by war and occupation as your distinguished representatives in Greece, the Ambassador of the USA and the Chief of the American Economic Mission, have so accurately informed you. Its prolongation would definitely stop the economic recovery of our people and dangerously weaken the nation's capacity of resistance. That is why your announcement concerning the precious assistance of the great American democracy has revived the hopes of all of us and has convinced us that the time is no longer far when Greece, free from all trials, will regain her

position among the happy and peace loving democracies of the world. You declare that you have condemned in the past and condemn now extremist acts, either of the right or of the left, and that in the past you have advised tolerance which you also advise now.

The Greek Government, chosen by the free will of the Greek people and based upon the confidence of its great majority, is exactly following the policy which you suggest by defending free institutions with conviction by enforcing a state of law for all and by offering an amnesty in order to put a quick end to the abnormal situation.

The Greek people are well aware of the importance of your assistance under the present circumstances and through me give you the unreserved assurance that they will prove themselves worthy of the solicitude and the confidence which you are extending to them, confident that the policy outlined by your address will soon bring peace and happiness to this part of the world and that Greece by recovering her tranquillity and applying herself undistractedly to productive work will become

an example for peace loving and progressive democratic peoples.

I assure you, Mr. President, of the eternal gratitude of the Greek nation. I have the honour to be, my dear Mr. President,

Yours faithfully,

D. MAXIMOS, *Prime Minister of Greece*

*The President of the United States,*

HARRY TRUMAN:

Please accept the expression of our deepest gratitude for the valuable assistance which you have kindly proposed to Congress in favor of Greece for her economic rehabilitation, the stabilization of her freedom and independence, and for her internal pacification. The assistance of the United States and your wise advice condemning the extremes of the right and left and recommending a policy of toleration will also contribute, I am sure, to the internal pacification of Greece without further bloodshed.

THEMISTOCLES SOPHOULIS

*The Leader of the Opposition Committee*

#### STATEMENT BY U.S. REPRESENTATIVE AT THE SEAT OF THE UNITED NATIONS<sup>1</sup>

The United States is dedicated to the principles of the United Nations Charter and to the building up of collective security. Support of the freedom

and independence of Greece and Turkey is essential to these purposes. Prompt approval by Congress of the President's proposal would be new and effective action by the United States in supporting with all our strength our policy in the United Nations.

<sup>1</sup> Made by Warren R. Austin, U.S. Representative at the Seat of the United Nations, on Mar. 13, 1947, and released to the press by the U.S. Delegation to the U.N. on the same date.

## Senate and House Committee Hearings

### STATEMENT BY ACTING SECRETARY ACHESON<sup>1</sup>

Three weeks ago the British Government informed the Department of State that as of March 31 it would be obliged to discontinue the financial, economic, and advisory assistance which it has been giving to Greece and Turkey.

A few days later we received from the Greek Government an urgent appeal for financial, economic, and expert assistance. Assistance is imperative, says the Greek Government, if Greece is to survive as a free nation.

At various times during recent months the Turkish Government has applied to the United States for financial aid, but the Government has not had the facilities for responding to those requests. With the withdrawal of British aid, the needs of Turkey for assistance are greatly increased.

This, then, is the situation with which we have to deal. Greece and Turkey are in urgent need of aid, and there is no other country to which they may turn. The President in his message to Congress on March 12 recommended that this Government extend the necessary assistance.<sup>2</sup>

The problem with which we are faced has a history and a background. Greece's difficulties are not new. But they have become acute as a result of special circumstances.

Long before the war Greece had a hard time making ends meet. Her poverty of natural resources is so great that she has always needed more imports than she could pay for with exports. Only by hand-to-mouth contriving has she been able to maintain a precarious balance in her international economic position. In the past much of her export trade naturally went to central European markets, particularly to Germany; during the thirties she was forced into closer dependence on Germany through clearing agreements and other instruments of Nazi economic warfare.

And then came the Italian invasion, the German invasion, four years of cruel enemy occupation, and the scorching of her earth by the retreating enemy. Perhaps no other country in the world

has suffered greater destruction of its physical resources than Greece.

I should like to focus your attention upon four conditions which were found to exist at the time of Greece's liberation:

1. Physical destruction had catastrophically impaired Greece's ability to produce, either for home consumption or for export;

2. Greece's entire fiscal system had been destroyed;

3. The Greek civil service and administrative system had been gravely impaired through starvation and by death, undermined by infiltration of undesirable elements, demoralized by inflation and the resultant scramble for existence; and

4. The authority of the Greek state was threatened by several thousand armed men who defied and continue to defy it in certain areas of the country. This situation in part grew out of the arming of guerrilla forces during the war of liberation. Many of these people have retained their weapons, and certain bands now use them, fighting to resolve political differences that might otherwise be peaceably settled. The Greek Government has charged before the Security Council of the United Nations that the insurgent groups operating in northern Greece are assisted from outside Greece by supplies and training in neighboring countries. A commission appointed by the Security Council of the United Nations is now investigating these charges.

In the period of more than two years since its liberation, Greece has received substantial relief assistance from the United Nations Relief and Rehabilitation Administration. Great Britain has also extended very substantial aid to Greece in an effort to supplement the relief and reconstruction

<sup>1</sup> Made before the House Foreign Affairs Committee on Mar. 20, 1947, and released to the press on the same date.

<sup>2</sup> BULLETIN of Mar. 23, 1947, p. 534.

efforts of UNRRA, and to organize and equip the Greek Army.

However, at the end of this current month outside assistance to Greece is scheduled to stop. UNRRA is going out of business in Greece, and British assistance, for reasons of which you are aware, is to be discontinued.

The cessation of outside aid to Greece means immediate crisis. Unless help is forthcoming from some other quarter, Greece's economy will quickly collapse, very possibly carrying away with it the authority of the Government and its power to maintain order and the essential services.

Essential imports for civilians and for the army under the circumstances can continue for only a few weeks. Two weeks ago the dollar resources available to Greece were only \$14,000,000—enough for one month's imports of food and other essentials from the United States and other countries. If imports should cease, the price of such goods as are available would very rapidly reach astronomical figures. This is inflation. Its result in a country so dependent upon imports would be paralysis of the government and of economic life. It would also very probably mean the end of Greek freedom and independence.

The armed bands in the north, under Communist leadership, are already fighting, Greek against Greek. In the event of economic collapse and government paralysis, these bands would undoubtedly increase in strength until they took over Greece and instituted a totalitarian government similar to those prevailing in countries to the north of Greece. The rule of an armed minority would fasten itself upon the people of Greece.

In this critical situation Greece has urgently asked the United States for help. She requests financial assistance for the following purposes: (1) to enable her to carry on essential imports of food, clothing, and fuel necessary for the subsistence of her people; (2) to enable her to organize and equip her army in such a way that it will be able to restore order throughout her territory; and (3) to enable her to begin the process of reconstruction by putting her production facilities in order. (4) Finally, Greece requests the aid of experienced American administrative, economic, and technical personnel to assure the effective utilization of whatever financial aid may be extended her and to help her to begin the re-

construction of her own economy and public administration.

The situation in Turkey is substantially different, but Turkey also needs our help. The Turkish Army has been mobilized since the beginning of World War II and this has put a severe strain upon the national economy. During the war Turkey received substantial assistance from Great Britain and the United States, which helped her to carry this load.

Today the Turkish economy is no longer able to carry the full load required for its national defense and at the same time proceed with that economic development which is necessary to keep the country in sound condition. With some help from the United States, and further assistance which Turkey may be able to negotiate with United Nations financial organs, Turkey should be in a position to continue the development of her own resources and increase her productivity, while at the same time maintaining her national defenses at a level necessary to protect her freedom and independence.

The crisis in Greece and Turkey confronts us with only two alternatives. We can either grant aid to those countries or we can deny that aid. There is no possibility of putting the responsibility for extending the aid which Greece has asked from the United States on some other nation or upon the United Nations.

This becomes clear when we consider the specific problems that confront Greece today and the specific kinds of assistance that Greece has requested from the United Nations on the one hand and from the United States on the other.

Let us consider first the problem arising from outside Greece's borders. Greece has charged before the Security Council that armed bands operating within her territory are partly supplied, trained, and given refuge in neighboring countries and are moving back and forth across the borders. Greece has asked the United Nations for help in dealing with this situation. This is peculiarly a United Nations problem and one with which the United Nations is dealing expeditiously and effectively. In this matter the United States is supporting the Security Council's action energetically.

The second problem confronting the Greek Government is the need for supplies and funds to enable it to meet its internal difficulties, namely,

the restoration of order in the country and the averting of economic collapse. The United Nations Relief and Rehabilitation Administration and the British Government have been helping Greece with these particular problems, and the present crisis has arisen because those two supports must be withdrawn. To whom was Greece to turn? If Greece had applied to the United Nations or any of its related organizations, the essential element of time would have been lost and the end result, if any, would have been the same.

The United Nations does not of itself possess funds. The Economic and Social Council is an advisory body that recommends economic, financial, and social action to member states. The International Bank, which is just now completing its organization, is set up primarily to make self-liquidating loans for long-term reconstruction purposes. It has not yet made any loans whatsoever. The Economic Commission for Europe is still in its early organization stage.

It may be that at some future time the United Nations will be organized and equipped so as to render emergency aid to member states of the kind now needed in Greece and Turkey. But as the President said, the United Nations and its related organizations are not now in position to extend help of the kind that is required. Even if some organ of the United Nations should decide to recommend assistance to Greece and Turkey, it would have eventually to turn primarily to the United States for funds and supplies and technical assistance. Even if the project were not blocked by the objections of certain members of the United Nations, much time would have been lost, and time is of the essence.

The third problem confronting Greece is one of expert personnel. Greece has linked this problem, and we heartily concur, with the supply of funds. Greece is in the most serious need of expert advice and assistance. We believe, and we think Congress believes, that the expenditure of American funds in Greece and Turkey should be supervised by American experts.

These are the emergency aspects of the problem.

In the longer range, the United Nations may be able to take over various parts of the economic and financial problem in Greece and Turkey. We are giving serious study and consideration to ways in which the United Nations may take hold of this problem after the present emergency is past.

I have said that the two alternatives that are before us are to give the help requested, or to deny it. An essential step in considering the wisdom of any policy is to look at the alternatives. What are the probable consequences of *not* extending aid to Greece and Turkey?

I have already indicated what would more than likely happen in Greece. As the President said, however, it is necessary only to glance at the map to realize that the survival and integrity of Greece is of grave importance in a much wider situation. The inexorable facts of geography link the future of Greece and Turkey. Should the integrity and independence of Greece be lost or compromised the effect upon Turkey is inevitable.

But the effect is even wider. Consider for a moment the situation of the countries to the east and south of Turkey. All of them are confronted with the accumulated problems of the past and of the war. Some of them are just emerging into statehood. These nations wish and should be able to develop and maintain free institutions and individual liberties, but untoward circumstances may force them in the other direction. Will these countries be able to solve the extremely difficult problems that confront them in ways compatible with free institutions and individual liberty? It is vital to our own interests to do all in our power to help them solve their economic difficulties in such a way that their choice will be in favor of freedom.

I need not emphasize to you what would more than likely be the effect on the nations in the Middle East of a collapse in Greece and Turkey, and the installation of totalitarian regimes there. Both from the point of view of economics and morale, the effects upon countries to the east would be enormous, especially if the failure in Greece and Turkey should come about as the result of the failure of this great democracy to come to their aid. On the other hand, I ask you to consider the effects on their morale and their internal development should Greece and Turkey receive a helping hand from the United States, the country with which they closely associate the principles of freedom. It is not too much to say that the outcome in Greece and Turkey will be watched with deep concern throughout the vast area from the Dardanelles to the China Sea.

It is also being watched with deepest anxiety by the peoples to the west, particularly the peoples of

Europe, who, as the President said, are struggling against great difficulties to maintain their freedom and independence while they repair the damages of war.

As the President said, it would be an unspeakable tragedy if these countries, which have struggled so long against overwhelming odds, should lose that victory for which they sacrificed so much. Collapse of free institutions and loss of independence could be disastrous not only for them but for the world. Discouragement and possible failure would quickly be the lot of neighboring people striving to maintain their freedom and independence.

I have tried to outline to you the nature of the present crisis, and to describe some of its implica-

tions for the United States. The Secretary of War, Mr. Patterson, and the Secretary of the Navy, Mr. Forrestal, will give you an appreciation of the problem from the point of view of their Departments. The Under Secretary of State, Mr. Clayton, and Ambassador Porter, who has just returned from an economic mission in Athens, will give you more facts about the present situation in Greece and an account of the preliminary reconstruction program we have worked out for Greece. Our Ambassadors to Greece and Turkey, Mr. MacVeagh and Mr. Wilson, have been recalled for consultation. If the Committee wishes to have the benefit of their views, I request that, on account of the nature of their position and official duties, they be heard in executive session.

#### STATEMENT BY UNDER SECRETARY CLAYTON<sup>1</sup>

The general political situation in Greece has already been outlined by Mr. Acheson. I should like to explore with you the economic position of the country and the events which have brought the Greek economy to a state of near collapse.

Even before the war, Greece was a poor country. Her per capita income was one of the lowest in Europe; labor productivity was low in both agriculture and industry; population pressed on limited resources; and there was a constant deficit in the balance of trade.

Greece entered the war on the side of the United Nations relatively early in the conflict. By April 1941, Greece was completely occupied by enemy forces and remained under occupation until late in 1944. During this period, the Greek economy was operated almost entirely by and for the enemy war-machine. Through such devices as issue of occupation currency, drafts on the Greek Government, clearing arrangements which gave exports to the enemy without recompense, requisitions, confiscations, and the like, the Greek economy was systematically and progressively stripped and at the same time billions of drachma were pumped into circulation.

One of the first acts of the German occupation authorities was to requisition existing stocks of Greek food, already seriously depleted. Agricultural products were regularly requisitioned in various areas and sometimes the Germans them-

selves harvested crops to keep them from the local population. Clothing was requisitioned in Crete and other Greek areas. The Germans seized transport, machinery, and raw materials to whatever extent was required by the German armed forces and the German economy. Greek industry was used to meet the conqueror's needs at home and to supply the necessary spare parts and repairs for his damaged equipment. Machinery in factories that could have supplied Greek civilian requirements was removed and replaced by machinery designed especially to maintain German war equipment.

As the enemy forces withdrew, they put into effect a policy of systematic destruction calculated to wreck the Greek economy to such an extent that a liberated Greece would have slight prospect of normal recovery in the foreseeable future. The physical damage inflicted on the country was sufficient to result in almost complete paralysis. Means of communication were destroyed, port facilities wrecked, and bridges demolished. Livestock was carried off, villages burned, railways torn up and the Corinth Canal dynamited.

The following figures will serve to highlight the heavy material losses suffered by Greece from the war. Of 55 passenger ships in 1939 only 5 remained. Less than one quarter of the cargo vessels were still afloat. The Greek State Railways had lost over 80 percent of their rolling stock and nearly 90 percent of their locomotives. Half of the highway system was unusable and half the

<sup>1</sup> Made before the House Foreign Affairs Committee on Mar. 24, 1947, and released to the press on the same date.

bridges were out. A large proportion of the livestock and draft animals had disappeared. Industrial production was only a small fraction of that in 1939. Agricultural production had not suffered as much but was still substantially below pre-war levels.

In addition to the visible damage sustained by Greece, the Greek economy fell prey to progressive inflation, which stemmed largely from the heavy occupation costs levied by the enemy. At one point in the summer of 1942, occupation-cost payments reached 30 billion drachma monthly. It may be estimated from Greek Government figures that occupation costs totaled over 431 million 1938 dollars. In addition, Greece incurred heavy drachma expenses for products exported to the Axis during the occupation under the clearing arrangements with Germany and Italy. Both clearings at the end of occupation reflected net unpaid exports by Greece totaling about 534 million 1938 dollars. By liberation, such fantastic amounts of drachma were in circulation that the currency system was on the verge of complete collapse.

In fact, the Greek Government-in-Exile was compelled almost immediately upon its return to Greece to abandon the old currency and establish a new one. Conversion was effected in November 1944 at the rate of 50 billion old to 1 new drachma. This had the effect of wiping out bank deposits and destroying the value of Greek Government bonds and other obligations.

The fiscal position of the Greek Government on liberation was also appalling. The machinery of government was disorganized. The pre-war tax structure had completely collapsed during the occupation on the municipal as well as on the national level. At the same time the financial burdens of the Government were greatly increased. Hospitals, schools, and many other essential services had to be financed from the national treasury since the municipalities were bankrupt. The Greeks' brave fight to preserve their independence against impossible odds and the subsequent occupation had greatly increased the number of widows, orphans, and maimed entitled to pensions. Moreover unsettled world conditions imposed a further heavy burden on the Greek budget for military needs even though the British Government made a substantial contribution in this respect.

Ever since liberation the Greek Government has

been faced with a mounting budget deficit. Unfortunately, however, the lack of confidence in the currency and credit of the Government engendered by the inflationary experiences through which the Greek people have just passed has meant that the Government has been unable to float any internal bond issues since the drastic currency conversion of November 1944. Lack of confidence in the currency is also reflected in the absence of any appreciable savings in the form of bank deposits. This in turn has limited the ability of Greek banks to supply essential credits to the Government or to business and industry to finance rehabilitation and reconstruction. As a result, reconstruction has been greatly retarded and the Government has been forced to cover the deficit in effect by currency issues.

These currency issues have inevitably added to the inflation in Greece, exerting upward pressures on prices and the exchange rate. The over-all cost of living is now more than 100 times as high as in 1939. Wages have increased but not proportionately, with the result that there has been a drastic decline in real wages. The exchange rate has had to be adjusted from 150 per dollar established at liberation to 5,000 per dollar fixed in January 1946. Even this rate has been consistently below black-market rates, which are now in the neighborhood of 8,000 to the dollar. The rate for gold is even higher, amounting to approximately 16,000 drachmas per dollar.

In these circumstances the Greek Government has made efforts to attain stability by the expedient of selling gold sovereigns at premium rates. While this practice may have had some effect in stabilizing the value of the drachma, it has also reduced the gold and foreign-exchange reserves of the Government to a dangerously low point.

Greece finds herself today with virtually no gold or dollar resources left, with relatively little reconstruction accomplished, and with an economy which threatens to collapse at the onset of almost any serious adverse development. The shock to confidence from the inflationary experience of recent years was itself enough seriously to disrupt the normal functioning of the economy. This, added to the destruction wrought by the war, the political uncertainties facing the nation, and the guerrilla activities imperiling life and prop-



erty in the interior, has meant virtual paralysis of the normal economic processes by which Greece might otherwise have been able to work out her own salvation.

The assistance heretofore provided by UNRRA and the British has succeeded in preventing actual starvation. It has been far from sufficient to restore Greece to a position where she could become self-supporting. With the imminent cessation of the help provided by UNRRA and the British, Greece needs substantial outside assistance if suffering and political turmoil are to be avoided. Such assistance can only come from the United States in the time and in the amount required.

I shall endeavor to outline the program of assistance which is proposed. The Congress has already been advised that with the termination of UNRRA shipments Greece will require minimum relief aid of 50 million dollars if serious malnutrition and further retrogression in the minimum operation of the economy are to be prevented. This sum will be provided under the post-UNRRA bill if this is approved by the Congress.

Provision of relief aid in this amount will not, however, be sufficient to restore domestic security or provide the minimum reconstruction and stability which are necessary if Greece is again to take her place among the self-supporting democratic nations of the world.

For this purpose it is believed that approximately 300 million dollars will be necessary. Of this approximately half would be devoted to making available to the Greek armed forces the arms, ammunition, clothing, rations, and equipment necessary to deal effectively with the guerrillas. The political and military reasons for strengthening the Greek Army have been discussed by others, but I should like to emphasize that the establishment of military security is an essential prerequisite to economic stability. The economic difficulties of Greece have been seriously complicated by a general lack of confidence in the future of Greece as an independent state. Establishment of military security will enable the Greek Government and people to concentrate their efforts upon the solution of their economic problems, and renewed hope and confidence will encourage Greek private enterprise to undertake a larger share of the tasks of reconstruction.

The civilian program envisaged will cost ap-

proximately 150 million dollars. I would like to indicate very briefly the nature of this program, in particular the import or foreign-exchange elements involved.

We have estimated that imported equipment and materials for reconstruction until June 30, 1948 will cost approximately 50 million dollars. The first priority in reconstruction must be given to the restoration of transport and public utilities. Internal transportation in Greece is a serious bottleneck to further recovery. Until the railroad network is fully restored and sufficient rolling stock provided, the present excessive diversion of traffic to trucks will have to be continued with attendant high costs which hamper internal distribution and exports.

Greek roads have deteriorated very seriously and are in such unbelievably bad condition that the life of vehicles is only a fraction of normal, and operating costs are excessively high. The two principal Greek ports, Piraeus and Salonica, were very badly damaged and have been restored on only a provisional basis.

In order to make progress toward the restoration of the Greek transport system, it will be necessary to import considerable quantities of rolling stock, rails, structural steel and bridge-building material, road machinery and earth-moving equipment, some vehicles, and the services of the United States contractors and technicians.

Restoration of damaged and destroyed electric utilities and communications systems must also be given a high priority. Substantial imports of electrical machinery and communications equipment will be required.

Agriculture, which is the basis of the Greek economy, depends heavily upon the various flood-control, irrigation, and water-control facilities. During the war these facilities were neglected by the invaders, and the equipment necessary to keep them in good condition was either destroyed or removed. The dams, dikes, canals, and ditches have, as a result, deteriorated very seriously, and unless they can be reclaimed very soon further deterioration and loss of agricultural output is inevitable. For example, the Thessalonica Plains project, which drains and irrigates an area of roughly 460 square miles along the Axios River in north-central Greece, has been virtually without maintenance since the beginning of the war. In order to reclaim this vital project, such pieces of

equipment as hydraulic dredges, drag lines, bulldozers, and tractors are needed as well as maintenance equipment for these items. Such equipment will have to be imported.

During the war much industrial plant in Greece was idle and the Nazis removed and destroyed considerable industrial equipment. Mines suffered very seriously. Imports of industrial equipment will be required to permit Greek production to return to pre-war levels.

Any visitor to rural Greece is impressed by the wanton destruction of rural dwellings, of which over 100,000 were destroyed and 50,000 badly damaged. The foreign-exchange costs of beginning the restoration of this tremendous loss are a small but vital element in the job.

Aside from the problem of basic reconstruction, Greece urgently needs further assistance in the rehabilitation of agriculture. UNRRA has made a start by the importation of some livestock, farm machinery, food-processing equipment, and the like. This program includes 20 million dollars for this important task.

This 20 million dollars and the 50 million dollars for reconstruction are to cover the cost of foreign goods and services entering directly into these programs. But in order to carry out the reconstruction program it will also be necessary to employ local labor and materials. Greek labor and raw-material producers will be paid in drachmas. However, the Greek laborer or raw-material producer cannot be expected to make available his services or products unless he can convert the drachma he receives into the goods and services required by himself and his family.

Even with the additional supplies of food and clothing to be provided for abroad under the direct relief program, the total supply of goods and services available for purchase will be barely sufficient to permit holders of drachmas to convert them into the necessities of life. Large drachma payments must be made in connection with the proposed reconstruction program, and such increased drachma purchasing power will exert a tremendous pressure upon the limited supply of goods. In such circumstances, each new drachma recipient would bid against his neighbor for available supplies, and the result would be a rapid rise in prices. Wage earners and raw-material producers would soon find that their drachma receipts were inadequate to produce the necessities of life, and they would de-

mand increased payment for their labor and products. If the basic shortage of goods were not remedied, increased wages and prices to producers would not enable them to procure the goods they require, but would only lead to more frantic competitive bidding and further price rises. Price controls and rationing are only temporary palliatives under such circumstances, and experience has shown that the effective operation of controls of this nature cannot be expected in Greece under such circumstances.

It is our firm opinion that the reconstruction program in Greece cannot be carried out successfully unless consumers' goods are made available from abroad, roughly equivalent in value to the drachma expenditures in connection therewith. The best available estimate of these expenditures is 80 million dollars. Greece itself is the cheapest source of the labor and of much of the raw materials required for the reconstruction program, and of course such labor and materials should be utilized to the utmost. The precise method of carrying out an integrated program of reconstruction, including the procurement and distribution of the necessary consumers' goods, should, I believe, be left for determination by the American mission which it is proposed to send to Greece.

To summarize: The 150-million-dollar civilian program for Greece consists of the 20-million-dollar agricultural rehabilitation program and a reconstruction program which includes 50 million dollars for foreign-exchange costs and 80 million dollars for internal costs.

I should like to emphasize that all the estimates I have given you are necessarily rough approximations and that it is essential that flexibility be maintained, so that adjustments between various portions of the program can be made in the light of experience and developments which cannot now be anticipated in detail.

The funds made available under this program must, of course, be utilized to best advantage so that our objectives may be achieved efficiently and economically. It will be necessary to send a civilian mission to Greece to administer this Government's interest in the program. We cannot now say what the size of such a mission would be, or how it would be organized; these questions are still under study.

It is clear that we should not make any expenditures for the Greek program until specific

plans have been developed and have been approved by us. The mission in Greece would be in a position to carry a large part of the responsibility for this activity. It is also clear that the expenditure in Greece of funds that may be made available to the Greek Government must be subject to control by our mission there.

Furthermore, it is my considered opinion that in the United States any purchases with these funds should be made through the procurement agencies of this Government, or, if made otherwise, should be subject to careful supervision and strict control.

Finally, we must see to it that competent persons are sent to Greece to insure the development of controls at key points and to supervise their application. Time is so short, and the expenditures involved so great, that we must be assured that sound policies will be adopted and effectively administered in matters such as the following: fiscal methods; a modern tax structure; strict husbanding and control of the foreign-exchange earnings of the Greek people; conservation of remaining gold resources; a restriction on unessential imports; and the expansion of Greece's exports. These measures, no less than the financial advances we are proposing, are necessary to put Greece back on her feet.

I have stressed the economic situation in Greece because it is one of crisis. General economic conditions in Turkey are more favorable than those in Greece. In fact the latest information available indicates that Turkey has sufficient resources to finance the essential requirements of her civilian economy. It also appears that Turkey should in due time be able to procure through existing credit

channels part of the additional resources required for a program of general economic development. However, Turkey urgently needs military and other capital equipment which she herself cannot at present procure without seriously impairing her general economic position. The necessity for assisting Turkey in bearing the burdens of her military defense is very real, and an immediate beginning should be made. The 100 million dollars recommended for Turkey will be devoted to equipment for the Turkish armed forces and for projects such as the rehabilitation of the Turkish railroad system, which will contribute most directly to the maintenance of security in Turkey.

The bill now before you provides that the President shall determine the terms upon which assistance will be furnished to Greece and Turkey from the appropriations authorized. These terms may be loans, credits, grants, or otherwise. In view of the unusual conditions confronting us in this situation, I do not believe that it would be wise or practical to specify now what these terms might be.

Any set of financial relationships, to be sound, must be related to the realities and objectives of the case. I believe that assistance for military purposes, being essential to our own security, and not in itself creating the wherewithal to repay, should be made as a clear grant.

Financial assistance for civilian purposes would appear to fall in a somewhat different category. Repayment could be sought when the direct effect of the financial aid was to create the ability on the part of the receiving country to meet such obligations in foreign exchange. However, I do not believe that we should create financial obligations for which there is no reasonable prospect of repayment.

#### STATEMENT BY AMBASSADOR PORTER<sup>1</sup>

The majority of the people of Greece are, in my opinion, eager to perfect their democratic institutions if given the opportunity. They need material assistance and technical guidance if they are to function as a free, self-sustaining democracy. Greece has the resources for development and the capacity to exploit those resources, once the country has gotten on its feet and is started on the road

to recovery. In a two months' intensive survey into Greek economic problems, I developed admiration for the democratic spirit of the average Greek citizen. These people are industrious, frugal, and devoted to the basic ideals of freedom. The problem is to create conditions in which this spirit can find its fullest democratic expression. It is not easy, but it can be done. Greece can, with our help, become a peaceful, democratic society with the living standards of her people above the present precarious level of mere survival. If this country assumes obligations in this regard, I have

<sup>1</sup> Made before the House Committee on Foreign Affairs on Mar. 28, 1947, and released to the press on the same date. Paul A. Porter is Chief of the American Economic Mission to Greece, with personal rank of Ambassador.

confidence that Greece will not forfeit what I believe to be her last clear chance for independence.

The American Economic Mission to Greece arrived in Athens on January 18. With a small staff we immediately began our inquiries into Greek economic problems. I would like to submit to this Committee some of our findings and conclusions as well as a description of the immediate economic crisis which now confronts Greece.

Mr. Acheson and Mr. Clayton have told you of the immediacy of Greece's present internal crisis. I would like to describe its economic aspects with greater particularity: 1946 was a year of theoretical stability for Greece; the inflationary sweep of 1945 was slowed down and from time to time halted. The two main factors operating to produce this condition were the quantity of UNRRA supplies fed into the economy and the free sale of gold by the Bank of Greece. These factors are no longer present. UNRRA supplies are diminishing and gold reserves are exhausted. As a result there now exists a new and immediate threat of inflation of disastrous proportions within Greece unless measures are taken at once to stop it. In a sense Greece is now living on borrowed time—on the hope of prompt American assistance.

In my opinion economic conditions now serious would deteriorate with great rapidity if it should become apparent that there was serious doubt that the United States was coming to her rescue.

Here are the principal elements of the immediate inflationary threat in Greece:

1. The tentative budget estimates of the Minister of Finance for the fiscal year beginning April 1 indicate a deficit, including the military, of about 1,682 billion drachma (\$287,000,000). This is over three times the amount of currency now in circulation. The debt of the Greek Government to the Bank of Greece increased by 77 billion drachma during the month of February alone (about \$9,600,000, using the rate of 8,000 drachma to \$1.00).

2. With the cessation of the flow of UNRRA goods into the market and a restricted import program necessitated by lack of foreign exchange, the reduction of available consumer supplies, entirely apart from the threat of inflation arising from the budget deficit, would cause an immediate and substantial increase in the internal price level which is already out of line with general world prices.

3. The gold sovereign reserves of the Bank of Greece totaled only 101,000 on March 1 and the prospect of replenishment is remote. In the absence of immediate corrective steps including outside assistance, there is no hope of currency stabilization, and the printing presses would resume without restraint.

4. Because of these and other circumstances, the Government is now faced with a series of new wage demands and increasing signs of labor unrest. Thus, in the absence of some immediate steps, there is the imminent threat of wage inflation added to the prospect of budget inflation.

The American Economic Mission was confronted with some of these conditions soon after its arrival in Greece, and although our purpose was primarily to analyze the current and longer-range problems, we were requested by the present Government of National Cooperation to suggest measures to meet the immediate crisis. In cooperation with the Currency Committee, the most effective instrument of Greek economic policy, we submitted certain emergency proposals. To meet the situation Mr. Maximos, the Prime Minister, issued a declaration of economic policy of the present government, which in the official translation reads as follows:

- a. Avoidance of inflation and protection of the national currency by every sacrifice in close cooperation with the Currency Committee.

- b. Regulation of imports and exports under close observation by the central organization.

- c. Enforcement of every restriction and control which can be considered necessary for the Greek economy to return to normal.

- d. Taking of any measure which is necessary for the compression of price levels and the extension of ration cards to all basic goods for the maintenance of the population.

- e. Reorganization of banking credits for achieving decisive assistance towards production.

- f. Use of all-Greek labor for reconstruction.

- g. Complete cooperation with the Porter Mission and the British Economic Mission and the granting to them of all available data so as to keep them well informed of the economic and financial situation of the country.

- h. Suspension of appointments to public posts excluding those which, by Cabinet decision, are

considered unavoidable for the smooth running of the state.

*i. Dismissal of incompetent civil servants.*

I cite Mr. Maximos' declaration of economic policy only for the purpose of indicating that there is a recognition by the present Government that firm measures will be necessary if inflation is to be avoided and Greece is to make the maximum use of her own resources. However, for any program of this general character to be made specific and effective, the immediate assistance of American personnel is, in my judgment, absolutely indispensable. This is recognized not only by the present Greek Government but by the leaders of the opposition parties as well. Constant attention and supervision must be exercised to make certain that these general policies are given content and made to work.

If the Greek Government succeeds in staving off the immediate crisis—and I think it can if assistance from the United States is promptly forthcoming—there remain the longer-term aspects of financing essential imports and the problems of reconstruction and recovery.

Greece's international financial position is desperate. UNRRA imports are rapidly terminating, and the Greek nation simply does not have the resources to obtain foreign exchange to meet the essential import requirements. The Greek Government submitted to us their estimates that, on an austerity basis, imports of at least \$350,000,000 would be essential during 1947; our estimates are somewhat lower. Against these demands the Bank of Greece had, on February 5, foreign exchange in gold, dollars, and sterling of approximately \$100,000,000, of which gold and dollars accounted for only \$12,500,000. Such sterling holdings are not fully convertible into dollars.

Thus, it is obvious that outside assistance is required for the survival of a democratic Greek state. But we must do more than that if we are to go further than merely postponing collapse; we must make available funds for reconstruction and rehabilitation. While Greece has done some restoration of ports and railways since liberation, in general the country has made little progress in rebuilding.

The relief program will only supply bare subsistence needs, and even then there is the danger of starvation in some areas in Greece unless proper

distribution is assured. The additional funds contemplated for rehabilitation and reconstruction should enable Greece to recover to the extent that outside relief for minimum human needs, year after year, will no longer be necessary. That is what the program as explained by Mr. Clayton is designed to achieve, and it checks completely with the findings we have made on the spot.

It is apparent that the funds available to Greece from the post-UNRRA relief measure will only serve to keep the Greek people alive at a dietary level of something less than 2,200 calories. Additional economic assistance in the amount of \$150,000,000 is the minimum which we believe necessary to have an effective program of reconstruction and rehabilitation with the objective of achieving a reasonably self-supporting economy in a reasonable length of time. This, of course, is apart from the financial aid for the military establishment.

It should be borne in mind that the Greek pre-war economy was not capable of sustaining a military organization other than for police duties without severe pressure on the extremely low standard of living. With real income, possibly around three fourths of pre-war during 1946, it is obvious that almost the entire burden of the military must be borne from abroad if the economy is not to regress, much less progress.

It is also important to bear in mind that the total amount of American assistance proposed, including relief, military aid, and reconstruction assistance is not substantially different from the total of UNRRA assistance to Greece and the British military subsidy during 1946. The program proposed by the Department of State to June 30, 1948 provides a cumulative total of \$350,000,000. The best estimate of UNRRA distribution of supplies, plus the British military subsidy, is approximately \$330,000,000 for the calendar year 1946.

To emphasize further that this program requires Greece to exercise the maximum of self-help in 1947, the estimates on which the amount of assistance is based call for considerably more than twice the volume of exports in 1947 over last year. The best estimates of Greek exports for 1946, taken from UNRRA, the Bank of Greece, and other sources, indicate a total volume of around \$40,000,000. The balance of payments upon which the new program of American aid is based requires

export at the level of about \$75,000,000 for the calendar year 1947.

I think that the goals which have been set can be reached with proper effort and a realistic management of export possibilities. For example, we have estimated that Greece will export \$37,000,000 worth of tobacco during the current year, or more than the unadjusted dollar value of tobacco exports in 1935. With the northern European markets not yet available, this volume of tobacco exports may be high, but we think it can be done. We have also estimated that Greece should export \$20,000,000 worth of olive oil on current account during 1947. At present there is an embargo on olive oil, but we do not feel that this target is too high if the Greek Government will devote its energies to achieving this goal.

In addition we have included in extraordinary receipts the sum of \$14,000,000 from United States surplus as a source of Greece's essential import requirements for 1947. I do not believe this figure to be high but, taking into account problems of transportation, availabilities, and the time lag, it is certainly not conservative.

It is thus apparent that this program of American financial aid to Greece will do no more than place Greece on an austerity basis and lay the basis for reconstruction. Hence, it will still be necessary for the Greek Government to use all effective measures to mobilize her own resources. It will be necessary for Greece to adopt a plan of vigorous fiscal and taxation reforms; to develop a tight system of control of imports, development of exports, control of foreign exchange, and such other measures as are necessary to assure that essential commodities flow through distribution channels to the farmers, workers, and producers who need them. Here again I must emphasize the necessity of American technical experts to provide advice and guidance in the development and application of such measures, and I repeat that the Greek Government has accepted in principle the necessity of such a program and requested such American assistance.

The program now proposed permits the use of funds advanced for internal expenditures as well as the foreign exchange costs of reconstruction. In my judgment this is indispensable if the necessary amount of reconstruction is even to begin. Because of internal disruptions and the great devastation wrought by the war and occupation,

Greece has not been able to provide the local costs of reconstruction. Even though some capital equipment was available, the Greek Government was frequently faced with the difficult choice of increasing the note issue to finance internal costs or letting reconstruction lag. I have seen road-building equipment and machine tools on the docks at Piraeus which could not be utilized because the Government was unable to make provision for credits or allot drachmae for their use. Because of the inflationary potential of additional currency issue and the appalling shortages of essential commodities, the decision usually was dictated by budgetary considerations and thus reconstruction was sacrificed.

Such a program would go a long way towards dispelling the inflation phobia which has infected the economic system of the country. In addition, it would serve to encourage Greek liquid capital held in private hands to seek investment outlets. I was told on every hand by industrialists in the Athens-Piraeus area, as well as by peasants in northern Macedonia, that the incentive to rebuild would be lacking until internal security was achieved and the fear of inflation removed. There is no way to measure the amount of private capital available for investment purposes, but I have the belief that once it is felt that stable economic and political conditions are likely to be achieved, local private initiative will make an important contribution to Greek recovery.

Mr. Clayton described to you some of the plans by which United States personnel in Greece would insure a proper expenditure of funds and undertake to see that adequate measures are taken by the Greek Government for the use of Greece's own resources for recovery. It is my view that such an American Recovery Mission should, within the limits set forth by Congress and the President and agreed to by the Government of Greece, have some flexibility in developing the techniques appropriate to achieve desired objectives.

The functions of such a Mission primarily would be to help in the formulation and administration of government fiscal policies, to advise the Greek Government on carrying out measures for the employment of the maximum amount of Greek resources in the recovery program, and finally to recommend to the U.S. Government revisions in the amounts of U.S. assistance needed and in the

conditions which should be attached to such assistance.

The reforms needed in the public administration of Greece are numerous. Technical experts assigned to this problem by the Mission should be able to devise more effective procedures in government operations and to improve quality and performance of the personnel. Many reforms will take a period of time to achieve, but I believe that with the selection of a proper Mission its influences can be decisive in developing and making effective the measures essential to Greek recovery.

I would recommend that the Mission have power, primarily advisory in character, in relation to the Greek Government, but that this power should be supported by two sanctions: first, the authority to recommend to the U.S. Government that assistance be withdrawn or reduced in the event of the failure of substantial compliance with any of the conditions; and second, the publication by the Mission of quarterly reports on the progress of Greek recovery, such reports being made available to the Government and the people of Greece, as well as to the Government and people of the United States.

The Mission should advise on the formulation of Greek fiscal policies. The Currency Committee, with power over additional currency issues, should be continued and strengthened. As an agency of the Greek Government this Committee should screen all expenditures before they are presented to the American Recovery Mission for approval. An Office of the Foreign Trade Administrator, with an American as Administrator, should be created within the Greek Government with final power over all imports and exports. This Administrator as an employee of the Greek Government should be charged with the responsibility of carrying out the foreign trade programs decided upon by the Greek Government with the advice and consent of the American Recovery Mission which would undertake to assure that the most effective use is made of available foreign exchange.

The American Economic Mission which has just returned from Greece will have detailed recommendations for the consideration of the new American group which would play such a significant part in Greek recovery. These recommendations will include specific suggestions concerning reconstruction projects, tax policies, government expenditures, banking, foreign ex-

change controls, control of imports, development of exports, agricultural activities including credit policies, industrial development, the exploitation of fishing resources, shipping, wages and prices, public administration, and some preliminary steps which we believe Greece should take to qualify for assistance from the International Bank for Reconstruction and Development, as well as the International Monetary Fund.

Our general conclusions on the program of reconstruction of public works include the suggestion that in the selection of projects there should be two criteria: First, they should be those which contribute most to the general economy of the country; and, second, they should be distributed geographically over the whole country. The Greek Army should be used for reconstruction work as much as possible. The specific projects to be undertaken should be selected by the American Recovery Mission after consultation with the Reconstruction Board of the Greek Government. The American Economic Mission will direct consideration to a number of specific projects.

The importance of an effective program for imports and exports cannot, of course, be over-emphasized. A program of essential imports approved by the American Recovery Mission should be the guide for all imports. It would include requirements for an austerity civilian economy, for the Army, for approved reconstruction and development projects, and for the continuation of the UNRRA child-feeding and malaria programs. It would be little short of criminal if the child-feeding program were discontinued. This activity was begun in Greece by the Swiss Mission of the International Red Cross during the occupation. It has since been developed and expanded by UNRRA, but in the absence of outside assistance the program must be discontinued at the end of the current school semester, or about June 1. I will not burden the Committee with the details of this program, as I am certain you recognize its obvious benefits. This and other essential welfare activities must go hand-in-hand with reconstruction.

Finally, I wish to express the view that if the United States is to assume this responsibility it must be done in a manner that will demonstrate to the world that the objectives and policies of



democracy are superior to those of any other system. It is obvious to all that Greece cannot work out her own destiny alone. She has the re-

sources, the labor supply, and the will to do it with our assistance. The record of Greece in resisting oppression entitles her to that chance.

#### STATEMENT BY ACTING SECRETARY ACHESON<sup>1</sup>

On February 24 the British Ambassador, in a note dated February 21,<sup>2</sup> informed the Department of State that as of March 31 the British Government would be obliged to discontinue the financial, economic, and advisory assistance which it has been giving to Greece and Turkey. Within a week the President informed congressional leaders of this situation and advised with them on the course of action which the Government should take. On March 12 the President informed Congress and the nation of the situation and recommended that this Government extend aid to Greece and Turkey.

On March 3 we received from the Greek Government an urgent appeal for financial, economic, and expert assistance.<sup>3</sup> Assistance is imperative, the Greek Government says, if Greece is to survive as a free nation.

The Turkish Government has on various occasions applied to the United States for financial aid, but this Government has not had the facilities for responding to those requests. Since British aid is not available, the needs of Turkey for assistance are greatly increased.

This, then, is the situation with which we have to deal. Greece and Turkey are in urgent need of aid, and there is no other country to which they may turn.

The problem with which we are faced has a history and a background. Greece's difficulties are not new. But they have become acute as a result of special circumstances.

Long before the war Greece had a hard time making ends meet. Her poverty of natural resources is so great that she has always needed more imports than she could pay for with exports. Only by hand-to-mouth contriving has she been able to maintain a precarious balance in her international economic position. In the past much of her export trade naturally went to Central European markets, particularly to Germany; during the thirties she was forced into closer dependence on Germany through clearing agreements and other instruments of Nazi economic warfare.

And then came the Italian invasion, the German invasion, four years of cruel enemy occupation, and the scorching of her earth by the retreating enemy. Perhaps no other country in the world has suffered greater destruction of its physical resources than Greece.

I should like to focus your attention upon four conditions which were found to exist at the time of Greece's liberation:

1. Physical destruction had catastrophically impaired Greece's ability to produce, either for home consumption or for export;

2. Greece's entire fiscal system had been destroyed;

3. The Greek civil service and administrative system had been gravely impaired through the starvation and death of many of its personnel, undermined by infiltration of undesirable elements, demoralized by inflation and the resultant scramble for existence; and

4. The authority of the Greek state was threatened by several thousand armed men who defied, and continue to defy, it in certain areas of the country. This situation in part grew out of the arming of guerrilla forces during the war of liberation. Many of these people have retained their weapons and certain bands now use them fighting to resolve the political differences that might otherwise be peaceably settled. The Greek Government has charged before the Security Council of the United Nations that the insurgent groups operating in northern Greece are assisted from outside Greece by supplies and training in neighboring countries. A Commission appointed by the Security Council of the United Nations is now investigating these charges.

In the period of more than two years since its liberation, Greece has received substantial relief

<sup>1</sup> Made before the Senate Foreign Relations Committee on Mar. 24, 1947, and released to the press on the same date.

<sup>2</sup> Not printed.

<sup>3</sup> BULLETIN of Mar. 16, 1947, p. 493.



assistance from the United Nations Relief and Rehabilitation Administration. Great Britain has also extended very substantial aid to Greece in an effort to supplement the relief and reconstruction efforts of UNRRA, and to organize and equip the Greek Army.

However, at the end of this current month outside assistance to Greece is scheduled to stop. UNRRA is going out of business in Greece, and British assistance, for reasons of which you are aware, is to be discontinued.

The cessation of outside aid to Greece means immediate crisis. Unless help is forthcoming from some other quarter, Greece's economy will quickly collapse, very possibly carrying away with it the authority of the Government and its power to maintain order and the essential services.

The information reported to us by the Greek and British Governments in regard to conditions in Greece has been corroborated by reports we have received from the American Ambassador in Greece and from the American economic mission which has been in Greece at the invitation of the Greek Government, inquiring into economic conditions there.

Essential imports for civilians and for the Army under the circumstances can continue for only a few weeks. Two weeks ago the dollar resources available to Greece were only \$14,000,000—enough for one month's imports of food and other essentials from the United States and other countries. If imports should cease, the price of such goods as are available would very rapidly reach astronomical figures. This is inflation. Its result in a country so dependent upon imports would be paralysis of the Government and of economic life. It would also very probably mean the end of Greek freedom and independence.

The armed bands in the north, under Communist leadership, are already fighting. In the event of economic collapse and Government paralysis, these bands would undoubtedly increase in strength until they took over Greece and instituted a totalitarian government similar to those prevailing in countries to the north of Greece. The rule of an armed minority would fasten itself upon the people of Greece.

In this critical situation Greece has urgently asked the United States for help. She requests financial assistance for the following purposes:

(1) to enable her to carry on essential imports of food, clothing, and fuel necessary for the subsistence of her people; (2) to enable her to organize and equip her army in such a way that it will be able to restore order throughout her territory; and (3) to enable her to begin the process of reconstruction by putting her production facilities in order. (4) Finally, Greece requests the aid of experienced American administrative, economic, and technical personnel to assure the effective utilization of whatever financial aid may be extended her and to help her to begin the reconstruction of her own economy and public administration.

The situation in Turkey is substantially different, but Turkey also needs our help. The Turkish Army has been mobilized since the beginning of World War II, and this has put a severe strain upon the national economy. During the war Turkey received substantial assistance from Great Britain and the United States, which helped her to carry this load.

Today the Turkish economy is no longer able to carry the full load required for its national defense and at the same time proceed with that economic development which is necessary to keep the country in sound condition. With some help from the United States, and further assistance which Turkey may be able to negotiate with United Nations financial organs, Turkey should be in a position to continue the development of her own resources and increase her productivity, while at the same time maintaining her national defenses at a level necessary to protect her freedom and independence.

The present proposals do not include our sending troops to Greece or Turkey. We have not been asked to do so. We do not foresee any need to do so. And we do not intend to do so. We have no understandings with either Greece or Turkey, oral or otherwise, in regard to the sending of troops to those countries.

Our military missions to Greece and Turkey will be small ones, whose task will probably be to find out the local needs for military equipment and to see to it that needed material is delivered and in the hands of the proper authorities. Our missions will consist only of observers and advisers.

In Greece some British troops remain who landed there for liberation purposes. The British Gov-

ernment has recently announced its intention of withdrawing its troops in the near future. There is also in Greece a British military mission whose members act as advisers and instructors with the Greek military forces.

Questions submitted to the Department of State appear to assume that the presence of those forces will mean that the British Government will direct the policies of the Greek Government while the United States supplies necessary economic aid. This is not the case.

The United States has not made any agreement with the British Government with reference to the implementation of the proposed plan of assistance to Greece and Turkey. If the proposed program is authorized by the Congress, its implementation will be worked out through agreements with Greece and Turkey and with the aid of United States personnel.

I wish to reiterate that the United States, in undertaking aid to Greece and Turkey, is not assuming British obligations or underwriting British policy there or elsewhere. We propose, rather, a program designed by this Government to promote stability in Greece, Turkey, and the Middle East generally and thereby to pave the way for peaceful and democratic development.

In the present instance we are proposing to respond to certain requests made to us by the Greek and Turkish Governments, and our program is designed to assist those countries in certain announced ways. We have been asked whether this establishes a pattern for all future requests for American assistance.

Any requests of foreign countries for aid will have to be considered according to the circumstances in each individual case. In another case we would have to study whether the country in question really needs assistance, whether its request is consistent with American foreign policy, whether the request for assistance is sincere, and whether assistance by the United States would be effective in meeting the problems of that country. It cannot be assumed, therefore, that this Government would necessarily undertake measures in any other country identical or even closely similar to those proposed for Greece and Turkey.

The situation of Greece and Turkey confronts us with only two alternatives. We can either grant

aid to those countries or we can deny that aid. There is no possibility of putting the responsibility for extending the aid which Greece has asked from the United States on some other nation or upon the United Nations.

This becomes clear when we consider the specific problems that confront Greece today and the specific kinds of assistance that Greece has requested from the United Nations on the one hand, and from the United States on the other.

Let us consider first the problem arising from outside Greece's borders. Greece has charged before the Security Council that armed bands operating within her territory are partly supplied, trained, and given refuge in Yugoslavia, Bulgaria, and Albania, and that these bands are moving back and forth across the border. Greece has asked the United Nations for help in dealing with this situation, and the Security Council has appointed a commission which is at the present moment investigating the Greek charges on the spot. It is expected that this commission will begin writing its report early in April, and that report should be ready shortly thereafter.

We do not know what the report will contain or the action that may be taken by the United Nations upon it. We hope and believe that United Nations action in this matter will result in the cessation of disturbances along Greece's northern borders. Such a result would be a most vital contribution to the situation in Greece and make possible the task of stabilization and rehabilitation. It would not be a substitute for the assistance which Greece has asked from the United States. More is needed to deal with internal disorder and economic breakdown.

The second problem confronting the Greek Government is the need for supplies and funds to enable it to cope with its internal difficulties, namely, the restoration of order in the country and the averting of economic collapse. The United Nations Relief and Rehabilitation Administration and the British Government have been helping Greece with these particular problems, and the present crisis has arisen because those two supports must be withdrawn.

To whom was Greece to turn? The Food and Agriculture Organization of the United Nations, which recently sent a mission to Greece, recommended that the Greek Government request the

Economic and Social Council of the United Nations, and the United States and the United Kingdom to extend aid to it in securing funds for the continuation of essential food and other imports to cover the period after UNRRA's withdrawal until expanding exports, international development loans, and expanding production should enable Greece to balance its international accounts.

If Greece had applied to the United Nations or any of its related organizations, the essential element of time would have been lost, and the end result would have been the same. The funds would have to come primarily from the United States. The United Nations does not of itself possess funds. The Economic and Social Council is an advisory body that recommends economic, financial, and social action to member states. The International Bank, which is just now completing its organization, is set up primarily to make self-liquidating loans for long-term reconstruction purposes. It has not yet made any loans whatsoever. The Economic Commission for Europe is still in its early organization stage.

It may be that at some future time the United Nations will be organized and equipped so as to render emergency aid to member states, of the kind now needed in Greece and Turkey. But, as the President said, the United Nations and its related organizations are not now in position to extend help of the kind that is required. Even if some organ of the United Nations should decide to recommend assistance to Greece and Turkey, it would have eventually to turn primarily to the United States for funds and supplies and technical assistance. Even if the project were not blocked by the objections of certain members of the United Nations, much time would have been lost, and time is of the essence.

One hundred twenty-three years ago Daniel Webster spoke in the United States House of Representatives in favor of a resolution looking toward aid to Greece, which country was then striving for her independence. Then, too, time was of the essence. He said:

"Mr. Chairman, there are some things which, to be well done, must be promptly done. If we even determine to do the thing that is now proposed, we may do it too late. Sir, I am not one of those who are for withholding aid when it is most urgently needed, and when the stress is past, and the aid no

longer necessary, overwhelming the sufferer with caresses. I will not stand by and see my fellow man drowning without stretching out a hand to help him, till he has by his own efforts and presence of mind reached the shore in safety, and then encumber him with aid. With suffering Greece, now is the crisis of her fate—her great, it may be, her last struggle. Sir, while we sit here deliberating, her destiny may be decided."<sup>4</sup>

The United Nations is an organization designed to keep the peace and to promote friendly relations among nations as well as orderly economic, social, cultural, and humanitarian progress. However, it would be a tragedy, and a travesty upon logic, if an overestimate of the immediate powers of the United Nations should succeed in preventing this country from using its wealth and influence to help create those very conditions of economic and political stability which are necessary if the United Nations is to develop into a stronger organization over a period of years.

By membership in the United Nations neither the United States nor any other country has absolved itself of its responsibility for fostering through its own action the same objectives as the Charter sets for the United Nations.

The third problem confronting Greece is one of expert personnel. Greece has linked this problem, and we heartily concur, with the supply of funds. Greece is in the most serious need of expert advice and assistance. We believe, and we think Congress believes, that the expenditure of American funds in Greece and Turkey should be supervised by American experts.

The proposals now before the Congress deal with the emergency aspects of the problem.

In the longer range, the United Nations may be able to take over various parts of the economic and financial problem in Greece and Turkey. We are giving serious study and consideration to ways in which the United Nations may take hold of this problem after the present emergency is past.

I have said that the two alternatives that are before us are to give the help requested or to deny it. An essential step in considering the wisdom of any policy is to look at the alternatives. What are the probable consequences of *not* extending aid to Greece and Turkey?

<sup>4</sup> *Annals of Congress* (18th Cong., 1st sess.).

I have already indicated what would more than likely happen in Greece. As the President said, however, it is necessary only to glance at the map to realize that the survival and integrity of Greece is of grave importance in a much wider situation. The inexorable facts of geography link the future of Greece and Turkey. Should the integrity and independence of Greece be lost or compromised, the effect upon Turkey is inevitable.

But the effect is even wider. Consider for a moment the situation of the countries to the east and south of Turkey. All of them are confronted with the accumulated problems of the past and of the war. Some of them are just emerging into statehood. These nations wish and should be able to develop and maintain free institutions and individual liberties, but untoward circumstances may force them in the other direction. Will these countries be able to solve the extremely difficult problems that confront them in ways compatible with free institutions and individual liberty? It is vital to our own interests to do all in our power to help them solve their economic difficulties in such a way that their choice will be in favor of freedom.

I need not emphasize to you what would more than likely be the effect on the nations in the Middle East of a collapse in Greece and Turkey and the installation of totalitarian regimes there. Both from the point of view of economics and morale, the effects upon countries to the east would be enormous, especially if the failure in Greece and Turkey should come about as the result of the failure of this great democracy to come to their aid. On the other hand, I ask you to consider the effects on their morale and their internal development should Greece and Turkey receive a helping hand from the United States, the country with which they closely associate the principles of freedom. It is not too much to say that the outcome in Greece and Turkey will be watched with deep concern throughout the vast area from the Dardanelles to the China Sea.

It is also being watched with deepest anxiety by the peoples to the west, particularly the peoples of Europe, who, as the President said, are struggling against great difficulties to maintain their freedom and independence while they repair the damages of war.

As the President said, it would be an unspeakable tragedy if those countries which have struggled so long against overwhelming odds should lose that victory for which they sacrificed so much. Collapse of free institutions and loss of independence would be disastrous not only for them but for the world. Discouragement and possible failure would quickly be the lot of neighboring peoples striving to maintain their freedom and independence.

It is feared in some quarters that the proposed United States program for Greece constitutes a blanket endorsement of its present government. Others have suggested that the United States make its assistance conditional on changes in the composition of the Greek Government.

As to the first point, I can do no better than to emphasize the President's declaration that we do not condone everything the present Greek Government has done or will do. As to the second, I do not think that such interference in Greek affairs would be justified.

The present Parliament of Greece was democratically elected in an election which foreign observers agreed was fair. There can be no doubt that it represents the majority of the Greek people. The present Greek Cabinet contains representatives of 85 percent of the members of the Greek Parliament. The mere fact that Greece has a king does not necessarily make Greece's form of government less democratic than that of other countries, as is shown for instance by the Governments of Norway, Sweden, Denmark, the Netherlands, and Great Britain.

It is not the object of our aid to Greece either to help to maintain or to help to remove the present Government or the King of Greece. It is our object to help to maintain the present constitutional system of Greece so long as the majority of Greeks desire it, and to help Greece create conditions in which its free institutions can develop in a more normal fashion.

In Greece today we do not have a choice between a perfect democracy and an imperfect democracy. The question is whether there shall be any democracy at all. If the armed minorities that now threaten Greece's political and economic stability were to gain control, free institutions and human freedoms would disappear and democratic progress would come to an abrupt halt.

It is not claimed that all persons involved in the present armed challenge to the Greek Government are Communist. There are among them many persons who honestly, but in our opinion mistakenly, support the Communist-led forces because they do not like the present Greek Government. The political amnesty offered by the Greek Government offers to all the opportunity to co-operate in making democratic Greek institutions work.

We are planning aid to Greece with the hope and intention that conditions will be created in which the Greek Government can achieve more efficient administration and perfect its democratic processes. Moreover, we consider that the steps which the Greek Government would take in carrying through a program of reconstruction would necessarily contribute to this result.

It is charged that the composition of the present Greek Parliament and Government was effected by the fears and crises of the period in which the election was held. This may be true. It would be strange if it were not. But it is also true that the help which we now propose will create a greater degree of economic stability and a greater measure of freedom from fear. Greek political processes under Greece's constitutional system will thus operate under greatly improved conditions, and in those improved conditions the Greek people will

have ample opportunity to register any changes that may occur in their will.

Since our primary purpose is to help people who are struggling to maintain their independence and their right to democratic development, we would not of course want to continue this aid if we should find that our efforts were being frustrated by anti-democratic practices.

I want to make it clear that the aid we propose to extend to Greece and Turkey has been requested by those countries and cannot by any fair interpretation be considered as interference in the affairs of other countries. Our aid will not be continued any longer than it may be needed or wanted by those countries.

One final word. In recent discussion of these proposals the question has been put to me whether they contain the possibility of friction which might lead to war. I think that quite the opposite is true. These proposals are designed to increase the stability of, and to further the opportunity for democratic development in, two countries most important to the world community. These are not acts which lead to war.

They lead in the other direction. They help to maintain the integrity and independence—what the United Nations Charter calls the “sovereign equality”—of states. That is one of the principles upon which the whole effort to organize the world for peace is founded.

#### STATEMENT BY UNDER SECRETARY CLAYTON<sup>1</sup>

The general political and military situation in Greece and Turkey has already been outlined by Secretaries Acheson, Patterson, and Forrestal. I should like to discuss with you the economic position of the two countries and the program which we propose for dealing with the situation.

Greece today has virtually run out of money to continue purchases of food and other essentials of life. The gold and dollar exchange resources available to her Government two weeks ago were only \$14,000,000. This amount—which even now is insufficient for working purposes—would scarcely pay for one month's imports of food and

other essentials from the United States and other dollar areas. Greece has substantially larger sterling balances, which, however, cannot be used in the near future for the purchase of foods and most other urgently needed supplies.

The bottom of the barrel is clearly in sight! Greece is in serious danger of a financial and an economic collapse of a widespread character. Hunger would face her long-suffering people. The organization of her domestic economy and foreign trade would disintegrate. The Government, lacking foreign resources to deal with the situation, would be unable to continue present efforts to maintain internal security—efforts which have not yet been strong enough to eradicate persistent guerrilla operations.

<sup>1</sup> Made before the Senate Foreign Relations Committee on Mar. 25, 1947, and released to the press on the same date.

The situation which faces us is the result of deep-seated causes which I can only briefly indicate.

Greece has always been a poor country, one of the poorest of Europe. Much of her soil is rocky, barren, and dry. The density of her population with respect to arable land is very high. The war left Greece one of the worst-devastated countries in the world. Railroads and ports were thoroughly wrecked and roads degenerated into a series of potholes. Three quarters of the merchant fleet was sunk. The livestock population was halved, and over 100,000 houses were burned or destroyed. The damage to human capital from malnutrition was no less appalling. These are heavy blows, from which Greece will not fully recover for many years.

The Nazi occupation had equally devastating effects in disrupting economic life. The flow of imports virtually ceased. The monetary system was wrecked by the astronomical outpourings of the printing presses. In fact the Greek Government was compelled, upon its return, to abandon the old currency and establish a new one. Conversion was decreed in November 1944 at the rate of 50 billion old to 1 new drachma. This wiped out bank deposits and destroyed the value of Greek Government bonds and other obligations.

On liberation the machinery of government was disorganized and the fiscal position appalling. The tax structure had collapsed. At the same time the Government faced greatly increased financial burdens. The Greeks' brave fight to preserve their independence had greatly increased the number of widows, orphans, and disabled persons entitled to pensions. Moreover, unsettled political conditions placed a further heavy burden on the budget for military needs, even though the British Government made a substantial contribution in this respect.

Since liberation the Greek Government has been faced with an unmanageable budget deficit. Lack of confidence in the currency and credit of the Government has made it impossible to float any internal bond issues since the drastic currency conversion of November 1944. Further, there have been virtually no savings in the form of bank deposits. Consequently, neither the banks nor the Government have been able to supply essential credits to finance rehabilitation and reconstruction

without vastly increasing inflationary pressures. As a result, reconstruction has been greatly retarded. The Government has covered the deficit by currency issues. In these circumstances, however, it has not been in a position to make the large outlays of local currency needed to pay for labor and local materials essential to reconstruction.

In an effort to attain stability in the value of the drachma the Government resorted to the expedient of selling gold sovereigns at premium rates. While this practice may have had some effect in stabilizing the drachma, it has also helped to deplete the gold and foreign-exchange reserves of the Government.

In the last three months the economic outlook in Greece has deteriorated very seriously. Industrial production has slowed down. Prices are threatening to go up still higher. UNRRA imports have tapered off and will soon stop entirely. Beyond this, the financial and military assistance heretofore provided by the British Government is shortly to be withdrawn.

The assistance heretofore provided by UNRRA and the British has succeeded in preventing actual starvation. It has been far from sufficient to restore Greece to a position where she could become self-supporting. Greece now needs substantial outside aid if suffering and political turmoil are to be avoided. Such assistance can only come from the United States in the time and in the amount required.

I shall endeavor to outline the program of assistance which is proposed. The Congress has already been advised that with the termination of UNRRA shipments Greece will require minimum relief aid of \$50,000,000 if serious malnutrition and further retrogression in the minimum operation of the economy are to be prevented. This sum will be provided under the post-UNRRA relief bill if this is approved by the Congress.

This amount of relief aid alone would not, however, be enough to restore domestic security and provide the minimum reconstruction and stability which are essential if Greece is again to take her place among the self-supporting democratic nations of the world.

For this purpose it is believed that approximately \$300,000,000 will be necessary. Of this, about half would be devoted to making available to the Greek armed forces the arms, ammunition,

clothing, rations, and equipment necessary to deal effectively with the guerrillas. The political and military reasons for strengthening the Greek Army have been discussed by others, but I should like to emphasize that the establishment of military security is an essential prerequisite to economic stability.

With peaceful conditions assured, the people of Greece can devote their efforts to their economic problems. Renewed hope and confidence will encourage private enterprise to enlarge its share in the work of reconstruction.

The economic program envisaged will cost about \$150,000,000. Of this amount we have estimated that imported equipment and materials for reconstruction until June 30, 1948, will cost about \$50,000,000. The first priority in reconstruction must be given to the restoration of transport facilities. Internal transportation in Greece is a serious bottleneck to further recovery.

The railroad network should be restored and sufficient rolling stock provided. Greek highways have deteriorated so seriously that the life of vehicles is only a fraction of normal and operating costs are excessively high. The two principal Greek ports, Piraeus and Salonika, were very badly damaged and have been restored on only a provisional basis.

In order to make progress toward the restoration of the Greek transport system, it will be necessary to import considerable quantities of rolling stock, rails, structural steel and bridge-building material, road machinery and earth-moving equipment, some vehicles, and the services of United States contractors and technicians.

Restoration of damaged and destroyed electric utilities and communications systems must also be given a high priority. Substantial imports of electrical machinery and communications equipment will be required.

The various flood-control, irrigation, and water-control projects likewise require restoration. These facilities were neglected by the Nazi invaders, and the equipment necessary to keep them in good condition was either destroyed or removed. The dams, dikes, canals, and ditches have, as a result, deteriorated seriously, and, unless they can be reclaimed soon, further deterioration and loss of agricultural output is inevitable. Hydraulic dredges, draglines, bulldozers, and trac-

tors are needed. Such equipment will have to be imported.

Industrial facilities in Greece need extensive repair, and equipment removed or destroyed by the Nazis needs to be replaced. Substantial imports of industrial and mining equipment will be required to permit Greek production to return to pre-war levels.

In addition to industrial reconstruction, Greece urgently needs further assistance in the rehabilitation of agriculture. UNRRA has made a start by the importation of some livestock, farm machinery, food-processing equipment, and the like. Our program includes \$20,000,000 for this important task.

This \$20,000,000 and the \$50,000,000 for reconstruction are to cover the cost of foreign goods and services entering directly into these programs. But in order to carry out the reconstruction program it will also be necessary to employ local labor and materials. However, the Greek laborer or raw-material producer cannot be expected to make available his services or products unless he can convert the drachma he receives into the goods and services he requires. Large additional drachma payments must be made in connection with the proposed reconstruction program. Such increased drachma purchasing power would exert a tremendous pressure upon the limited supply of goods. In such circumstances each recipient of additional drachma would bid against his neighbor for available supplies, and the result would be a rapid rise in prices. Wage earners and raw-material producers would soon find that their drachma receipts are inadequate to procure the necessities of life, and they would demand increased payment for their labor and products. If the basic shortage of goods were not remedied, increased wages and prices to producers would not enable them to procure the goods they require but would only lead to more frantic competitive bidding and further price rises. Price controls and rationing are only temporary palliatives under such circumstances, and experience has shown that the effective operation of controls of this nature cannot be expected in Greece under such circumstances.

It is our firm opinion that the reconstruction program in Greece cannot be carried out successfully unless consumers' goods are made available from abroad, roughly equivalent in value to the



drachma expenditures in connection therewith. The best available estimate of these expenditures is \$80,000,000. The precise method of carrying out an integrated program of reconstruction, including the procurement and distribution of the necessary consumers' goods, should, I believe, be left for determination by the American mission which it is proposed to send to Greece.

To summarize: The \$150,000,000 civilian program for Greece consists of the \$20,000,000 agricultural-rehabilitation program and a reconstruction program which includes \$50,000,000 for foreign-exchange costs and \$80,000,000 for internal costs. These estimates are necessarily rough approximations. I should like to emphasize that flexibility should be maintained so that adjustments between various portions of the program can be made in the light of experience and further developments.

The funds made available under this program must, of course, be utilized to best advantage so that our objectives may be achieved efficiently and economically. It will be necessary to send a civilian mission to Greece to administer this Government's interest in the program. We cannot now say how such a mission would be organized. I believe that it will be desirable to send a small group, say 25 to 50, headed by a chief of outstanding ability, to initiate the program and to develop the plans in more detail.

It is clear that we should not make any expenditures for the Greek program until specific plans have been developed, and have been approved by us. The mission in Greece would be in a position to carry a large part of the responsibility for this activity. It is also clear that the expenditure in Greece of funds that may be made available to the Greek Government must be subject to control by our mission there.

Furthermore, it is my considered opinion that in the United States any purchases with these funds should be made through the procurement agencies of this Government, or, if made otherwise, should be subject to careful supervision and strict control.

Finally, we must see to it that competent persons are sent to Greece to insure the development of controls at key points and to supervise their application. We must be assured that sound policies will be adopted and effectively administered

in matters such as the following: fiscal methods; a modern tax structure; strict husbanding and control of the foreign-exchange earnings of the Greek people; conservation of remaining gold resources; a restriction on unessential imports; and the expansion of Greece's exports. These measures are necessary to enable Greece to achieve stability.

I have stressed the economic situation in Greece because it is one of crisis. General economic conditions in Turkey are more favorable than those in Greece.

Turkey has sufficient current foreign-exchange earnings to finance the importation of the normal requirements of the civilian economy. Turkey also has about \$245,000,000 in gold and foreign exchange largely accumulated during the war under circumstances which will no longer prevail. The existence of this reserve has contributed in large part to the maintenance of confidence in the Turkish currency and avoidance of strong inflationary tendencies. This reserve also helps to give Turkey a credit standing which should enable her to secure, through existing credit channels, a portion of the funds she needs for general economic development. It should not be assumed, however, that Turkey will continue to add to her foreign-exchange reserves indefinitely in view of the unusually favorable conditions which existed for her during the war.

If Turkey has to spend large amounts of foreign exchange for strengthening her military defenses, she can accomplish this, if at all, only at the expense of a serious reduction in her currency reserves and curtailment of civilian imports which would seriously react on her domestic economy. This development would impair the credit standing upon which Turkey depends for obtaining financial assistance for general economic development.

I want to emphasize that none of the \$100,000,000 recommended for Turkey is for normal civilian supply purposes. All of it will be expended for purposes which will contribute to the security of Turkey. This would include equipment for the Turkish armed forces and, possibly, related projects such as rehabilitation of the Turkish railroad system.

The bill now before you provides that the President shall determine the terms upon which assist-



ance will be furnished to Greece and Turkey from the appropriations authorized. These terms may be loans, credits, grants, or otherwise. In view of the unusual conditions confronting us in this situation, I do not believe that it would be wise or practical to specify now what these terms might be.

I believe that the assistance provided under this bill for military purposes, being essential to our own security, and not in itself creating the where-

withal to repay, should be made as a clear grant.

Financial assistance for civilian purposes would appear to fall in a somewhat different category. Repayment could be sought when the direct effect of the financial aid was to create the ability on the part of the receiving country to meet such obligations in foreign exchange. However, I do not believe that we should create financial obligations for which there is no reasonable prospect of repayment.

## Discussion in Security Council of Proposed United States Program of Assistance

### STATEMENT ON MARCH 28, 1947, BY U.S. REPRESENTATIVE AT THE SEAT OF THE UNITED NATIONS<sup>1</sup>

Mr. President, I greatly appreciate the kindness of my colleagues in having permitted a short postponement of our consideration of today's business in order that I might have a few days in Washington.

Mr. President, the United States asked that item no. 7 of the March 21st summary statement on matters of which the Security Council is seized, the Greek question, be placed on the agenda of this meeting in order that I might make a statement on behalf of the United States concerning this question.

The United States believes that the Security Council should assure itself that we are agreed as to the manner in which the Commission now investigating disturbances along the northern Greek border can most effectively assist the Council in our further consideration of the complaint brought by the Greek Government.

My principal concern is that the Commission continue its work, including its investigation along the northern Greek border, until the Security Council itself has disposed of the Greek case.

It is also necessary that the Commission members, following the preparation of its first report, come to the Seat of the United Nations and be available to the Security Council until the termination of our consideration of the Greek complaint. The Commission should be available to prepare such supplementary reports as we may need. It should be ready to undertake additional investigations if those are required.

The Commission has already been directed, in the resolution of the Security Council of 19 December 1946, to "submit to the Security Council at the earliest possible date a report of the facts disclosed by its investigation".

The United States hopes that the first report of

the Commission will be prepared and forwarded with all possible speed following the completion of its present schedule of investigations. Under the Commission's present schedule it will start preparation of this report in Geneva on April 7.

The snows in northern Greece are melting and winter is giving way to spring. We may expect an intensification of the activities of guerrilla bands operating in this area. In this situation the danger of border violations obviously is increased.

In these circumstances the United States believes that it is of the utmost importance that the Commission leave representation in the border area during the time both of the preparation of its report in Geneva and the Security Council's consideration of its report here in New York. Such representatives would be able to report immediately any violations of the border and to furnish the Commission and the Security Council with any additional information which might come to light or be needed in dealing with the case. The presence of representatives of the United Nations on the spot would also inevitably have the effect of stabilizing the situation pending Security Council action.

The United States understands the resolution creating the Commission of Investigation as giving the Commission full authority to leave representation in Greece during the next few weeks. It is implicit in the resolution and its purpose that the Commission would continue in existence until the Security Council either disposes of the Greek case or acts to terminate the Commission's existence.

The Government of the United States has a special and pressing interest in effective action by the Security Council in the Greek case.

I do not need to recall to the Security Council the desperate plight of Greece and of the Greek people, or the great concern of the United States in preventing her collapse. Three times the story of her tragedy and her danger has been heard by

<sup>1</sup> Made by Warren R. Austin, the U.S. Representative, before the Security Council on Mar. 28, 1947, and released to the press by the U.S. Delegation to the United Nations on the same date.

this Council. One aspect of the tragedy that threatens to destroy her freedom and independence is now under active investigation by the Security Council's Commission of Investigation in Northern Greece.

Another aspect of the tragedy of Greece—the destruction wrought by the Germans to her economy and her society—has also received the attention of members and agencies of the United Nations.

Without the assistance of UNRRA, Great Britain, and the United States, the people of Greece would not have been able to survive at all since the day of her liberation more than two years ago.

UNRRA has furnished Greece \$362,000,000 of food and other relief and rehabilitation assistance. Of this amount the United States, upon whose initiative UNRRA was in the first place brought into existence in November, 1943, supplied 72 percent or \$260,640,000.

In addition, the United States has authorized since liberation \$181,500,000 in other economic and financial assistance, including lend-lease, surplus property, and Export-Import Bank loans, and ships and shipping services by the U.S. Maritime Commission. Most of this amount has been spent or committed.

UNRRA is going out of existence and will make no more shipments after March 31. Last month the British Government informed the United States that it would be obliged to discontinue on March 31 its financial, economic, and advisory assistance to both Greece and Turkey.

The aid that Greece has received until now has kept the Greek people alive and little more. Greece is still prostrate because the damage to her economy, her system of law and order, and her whole society—wrought by the Nazi occupation—was so great, and because of the operations of guerrilla bands and other factors.

On March 3 the Government of Greece addressed to the Government of the United States an urgent appeal for immediate additional economic, financial, and expert assistance. It declared Greece could not survive without this aid. It declared “the determination of the Greek people to do all in their power to restore Greece as a self-supporting, self-respecting democracy” but that “the destruction in Greece has been so

complete as to rob the Greek people of the power to meet the situation by themselves”.

Turkey had asked the United States for financial assistance at various times during the months preceding the notification by Great Britain that she would be forced to discontinue her economic and advisory assistance on March 31. The United States provided Turkey with \$95,000,000 in lend-lease assistance during and immediately after the war but had been unable to act upon her recent requests.

On March 12, 1947, the President of the United States proposed to the Congress a program of assistance which he believed would result in meeting the immediate requirements of Greece and would materially contribute to that country's economic and political recovery. It would also permit the extension of financial and advisory assistance to help meet the needs of Turkey.

On March 18, 1947, legislation was introduced into the Congress of the United States which, if approved, may give legislative sanction to specific proposals based upon the recommendations of the President.

The Congress of the United States now has the proposed legislation under active consideration. The Government of the United States, as the President and Congress have fully demonstrated, believes that the whole world should be fully informed of the acts, the motives, and the purposes of the United States.

The proposed program has been presented in public. The committees of Congress are holding hearings in public during which the proposals are being submitted to the most close and careful examination. The program will have been fully and exhaustively debated by the Congress and the whole American people before the Congress takes final action. Congress must make the decision.

In accordance with article 102 of the Charter, the United States will immediately register with the United Nations, for publication by the Secretary-General, copies of agreements connected with the execution of this program which may be entered into between Greece and the United States or between Turkey and the United States.

The proposed program of assistance has a specific and direct bearing upon the central objectives of United States foreign policy—to strengthen the United Nations and to advance the building of

collective security under the United Nations. It would, in fact, be a most essential act in support of this policy of the United States in and toward the United Nations. As the President said:

"In helping free and independent nations to maintain their freedom, the United States will be giving effect to the principles of the Charter of the United Nations."

The proposed program of assistance by the United States is directly related to the act of the United Nations in creating a Commission of Investigation.

Armed bands are defying authority in northern Greece and threatening the integrity of the state. On the one hand, the activities of these bands have helped to make the threat of economic chaos and political anarchy throughout Greece so grievous and imminent that Greece has found it necessary to call upon the United States for immediate economic and advisory assistance in order to maintain the very existence of the Greek state. On the other hand, the situation on the frontiers itself is made far more dangerous by the economic paralysis and weakness inside Greece.

The United States believes that it is of the highest importance that the United Nations take further action toward meeting the urgent problems confronting Greece, as it should for any other country that may be in similar circumstances.

I have already indicated certain methods of operation which, in our opinion, would make the work of the Commission of Investigation more effective.

I do not anticipate in any way the substance of the report of the Commission. Yet it is apparent that the Security Council may wish to consider after receipt of the report such further action as recommending that Greece, Yugoslavia, Bulgaria, and Albania agree on a system of border-control regulations and that a continuing commission made up of representatives of members of the Security Council be established. Under this commission neutral observers could be employed to keep constant watch against violations of the border regulations agreed upon. The commission could be authorized to act under article 33 as an agency for the peaceful settlement of those disputes among the four countries arising from border difficulties.

Action along these lines by the Security Council, combined with the proposed emergency program of assistance by the United States, would advance the prospects of peace and security in that part of the world. Neither action would be of as much effect if taken without the other, for these are complementary, not conflicting proposals—one to watch areas where actual disturbances occur, the other to strengthen Greece sufficiently to maintain internal order, and to restore to her people hope and confidence in their future as a free people.

Without such measures, each supplementing the other, there is grave danger that the situation which is now before the Security Council might deteriorate.

It is partly to prevent such a development that the United States took the initiative in proposing establishment of the Commission of Investigation in the first place and is now considering its response to the Greek request for aid.

The United States regards it as an obligation under the Charter, as well as a matter of elementary self-interest, for every member of the United Nations to do its utmost to bring about the peaceful adjustment of any international situation *before* it becomes a threat to the peace.

It is my belief that the proposed United States program of assistance to Greece and Turkey, together with effective action by the Security Council in the case of the northern Greek frontiers, would materially advance the cause of peace.

The United States desires to collaborate in peace and equality with all nations. It does not desire to dominate, intimidate, or threaten the security of any nation, large or small. The United States will support collective security for all nations—large as well as small. The United States respects, of course, the right of all members of the United Nations to follow whatever way of life or system of government they choose, so long as the choice is freely made without intimidation and so long as such nations do not interfere with the rights of other countries or the liberties of other peoples.

The foregoing aspects of the situation of Greece and its bearing on collective security are of especial interest to the Security Council. There are other aspects of the situation of equal importance to the maintenance of peace in this area which are the special concern of other organs of the United Nations and its related specialized agencies.

The program of economic assistance contemplated by the United States is of an emergency and temporary character. The United States believes that the United Nations and its related agencies should assume the principal responsibility, within their capabilities, for the long-range tasks of assistance required for the reconstruction of Greece.

The United States gave its full support to the emergency relief program conducted by UNRRA to which I have already referred. United States officials also participated fully in drawing up the recommendations for long-range assistance to Greece made by the Mission to Greece of the Food and Agriculture Organization of the United Nations.

Among the recommendations made by the FAO was the following:

*"Recommendation 3*

**"MAINTAINING ESSENTIAL IMPORTS AFTER UNRRA ENDS**

"It is recommended that the Greek Government request the Economic and Social Council, and the governments of the United States of America and the United Kingdom, to aid it in securing funds for the continuation of essential food and other imports to cover the period after UNRRA's withdrawal, until expanding exports, international development loans, and expanding production enable Greece to balance its international accounts without special aid."

A further recommendation is that the Greek Government apply to the International Bank for Reconstruction and Development or to other public financial agencies for a loan of at least \$100,000,000 for reconstruction and development purposes.

The International Bank is not yet ready to begin its loan program, but it soon will be. Greece has not yet appealed to the United Nations for financial assistance. There is a reason for this. Greece may now be in such bad financial and economic condition that she could not qualify as a good credit risk for bank loans.

Emergency and temporary economic assistance of the kind the United States is considering may improve the economic and financial condition of Greece sufficiently to qualify Greece for reconstruction and development loans such as that rec-

ommended in the FAO report. These loans could be for the financing of such projects as irrigation and power development, the rehabilitation of transport, and the modernization and development of agriculture and the reconstruction and development of industry.

The United States strongly supports the use of United Nations machinery for such purposes.

The Food and Agriculture Organization report also suggests that the Greek Government request the Economic and Social Council to arrange for a continuing United Nations advisory mission to Greece in connection with such a long-range program. Such a mission, if requested by the Greek Government, would be a constructive step for the United Nations to undertake.

The United States attaches particular importance to the establishment this week by the Economic and Social Council of the Economic Commission for Europe. The United States has given the fullest support to the establishment of such a commission from the time it was first considered last summer by the Subcommittee on Devastated Areas. The United States is convinced that the economy of Greece, as well as that of other European nations, will be benefited by this international action to coordinate the efforts of all European countries in their common struggle to recover from the ravages of war. As the only non-European member of this Commission, the United States pledges the fullest possible participation in its activities.

These, however, are long-range programs. They cannot meet the present emergency. It is by combining national and international action of both immediate and long-range character and aimed both at the security and economic aspects of the problem that the members of the United Nations can advance the cause of collective security.

President Truman's message to Congress comprehended more than Greece and Turkey when he spoke of conditions in the world affecting the security of the United States through the insecurity of the world. He declared the situation in Greece and Turkey to be one of the factors of insecurity and pointed out the various requirements for restoration of stability.

The United States is giving momentum to the United Nations by its present policy and it desires and welcomes corresponding interest and support

from other members of the United Nations. We look forward to the time when such burdens may be carried through the United Nations. Therefore, it is important that the United Nations take an active interest in all that is required for the re-establishment of stability, to discourage and prevent threats of aggression of any kind, or threats to the independence of a fellow member, and to afford opportunity to her people to enhance their welfare and dignity.

I have discussed the matter in the broadest terms, Mr. President, because of the deep interest which the American Government and the American people have shown in the Greek problem. Since you live among us you are of course aware of the intensity of our democratic debate and the keen desire of our people to see the United Nations grow in authority and confidence.

We now have directly before us in the Security Council one aspect of the problem. I am certain that my colleagues will agree that it is of the greatest importance that we make proper use of

our Commission of Investigation and take the steps most likely to result in a rapid and impartial consideration of its findings and recommendations.

In conclusion, therefore, Mr. President, the United States believes that special efforts should be made to expedite the report of the Commission, that the Commission should come to the seat of the United Nations as soon as its report is ready and be available to the Security Council throughout our consideration of this case, and that it should leave representatives in Greece during the preparation of the Commission's report and during the Security Council's consideration of the problem.

My colleagues may prefer to study the views I have expressed before further discussion of the Greek question. I am willing that we resume consideration of the item on trusteeship at this time. However, a meeting for discussion relating to the work of the Council's Commission of Investigation in northern Greece ought to be held at an early date.

#### STATEMENT ON APRIL 10, 1947, BY U.S. REPRESENTATIVE AT THE SEAT OF THE UNITED NATIONS<sup>1</sup>

Mr. President, I desire to refer first to the draft resolution submitted by the United States, as revised by the distinguished Representative of France, and then to comment upon certain of the statements made by the distinguished Representative of the Soviet Union on Monday, concerning the proposed program of aid by the United States to Greece and Turkey.

The draft resolution, as revised by the Representative of France, reads:

*"Resolved*, that pending a new decision of the Security Council, the Commission shall maintain in the area concerned a subsidiary group composed of a representative of each of the Members of the Commission."

The "area concerned" is described in the resolution of December 19, 1946, creating the Commission as follows:

*" . . . Resolved:*

*"That the Security Council under article 34 of the Charter establish a Commission of Investigation to ascertain the facts relating to the alleged border violations along the frontier between Greece*

*on the one hand and Albania, Bulgaria and Yugoslavia on the other.*

*"That the Commission shall have authority to conduct its investigation in Northern Greece and in such places in other parts of Greece, in Albania, Bulgaria and Yugoslavia as the Commission considers should be included in its investigation in order to elucidate the causes and nature of the above-mentioned border violations and disturbances."*

Note that the area concerned is variable according to the judgment of the Commission itself.

The purpose of the Security Council in creating the Commission implies—indeed, requires—that the Commission shall be in a position to discharge the duties imposed upon it by the Security Council until the Council itself shall have reached a decision in the matter.

<sup>1</sup> Made by Warren R. Austin, the U.S. Representative, before the Security Council on Apr. 10, 1947, and released to the press by the U. S. Delegation to the United Nations on the same date. The italics in the second resolution are Mr. Austin's.

The dominating purpose of the Resolution from which I have quoted and the purpose of the pending resolution is to carry out the obligations of the United Nations to maintain international peace and security. It is not necessary to remind ourselves, Mr. President, that we Members of the United Nations are bound both jointly and severally to perform this obligation. Proposals for action to discharge this obligation are not properly subject to criticism of deception, and of concealment of ulterior motives.

The position of the United States is, as I tried to make clear in my statement in the Security Council on March 28, that there is implicit in the December 19 resolution all the authority necessary to enable the Commission to function effectively. There is in that resolution all that is necessary to enable it to be the proficient agent of the Security Council until the objective of the Security Council has been fully attained.

Nevertheless, doubts were expressed at our last meeting that the Commission itself would understand that it does not have to wait upon instructions or directions from the Security Council in order to leave a subsidiary group, composed of a representative of each of the States Members of the Commission in the area concerned, pending a new decision of the Security Council.

Therefore, the pending draft resolution has been submitted by the United States and perfected by the Representative of France. This resolution, as it now stands before the Council, should clarify any remaining doubt in the matter, and should dispose of any charge that the Government of the United States wishes the Security Council to anticipate or prejudge the report now being drafted by its Commission.

The distinguished Representative of the Soviet Union expressed objection to this resolution.

Taking the text of the verbatim record of the 126th meeting of the Security Council, 7th April, 1947, for accuracy, I quote Mr. Gromyko:

"In today's meeting I made a proposal that a special Commission of the Council should be established to participate in the giving of aid to Greece and should ensure that this help given to Greece from outside should be used only for the benefit of the Greek people.

"I would ask you, Mr. President, and I would ask the Council to consider this suggestion as a

formal proposal submitted for the consideration of the Security Council."

Later, Mr. Gromyko referred to the pending United States resolution and his own proposal in the following manner:

"This (the United States) proposal may be interpreted as an attempt to place a screen bearing the initials 'U.N.' to conceal acts which are not the acts of the United Nations at all, but acts of an individual State.

"For all these reasons, Mr. President, I consider the United States proposal is unacceptable, and I cannot give it my support. I would repeat that I have made my own proposal in the name of the Soviet Delegation, a proposal that the Security Council create a Commission of the United Nations which shall ensure that the help supplied to Greece be used exclusively in the interests of the Greek people."

There is a seeming inconsistency in the position of the Soviet Delegate as he so stated it. On the one hand, he raised objections to a proposal to carry out the obvious purposes of the Security Council in creating its Commission for Investigation by leaving a subsidiary group in Greece. On the other hand, he proposed that the Security Council establish a new Commission to supervise the carrying out of aid to Greece.

There is an immediate purpose in the continued presence of a United Nations group to keep watch over the northern borders of Greece. The most simple, obvious, and direct method of serving this purpose is to leave behind representatives of the States which are members of the Commission of Investigation in Greece, pending the writing of the Commission's report, consideration of the matter by the Security Council, and, in the terms of the French Representative's amendment to the United States resolution, pending a new decision by the Security Council. The question involved here would seem to be no more than a very simple one of orderly and efficient procedure.

So far as Mr. Gromyko's proposal is concerned, Mr. President, it is not entirely clear as to just what he had in mind. If he was talking about a commission to supervise economic aid, I would refer him to my statement of March 28, 1947, in which I said:

"The Food and Agriculture Organization report



also suggests that the Greek Government request the Economic and Social Council to arrange for a continuing United Nations advisory mission to Greece in connection with such a long-range program. Such a mission, *if requested by the Greek Government*, would be a constructive step for the United Nations to undertake."

Note the initiative is with the Greek Government.

The long-range program referred to related to such projects as irrigation and power development, the rehabilitation of transport and the modernization and development of industry.

Mr. President, this is a program that would be for the long-range effort rather than for the immediate emergency—rescue. This is a program in which the United Nations would be the agent. There would be not only some rational basis for an advisory commission as recommended in the FAO report but there would be the law which holds us in its firm support—the law of the Charter. The Economic and Social Council is the organ of the United Nations which should establish such a commission. If such a commission were established, the Security Council, under article 65, could call upon it for such information and assistance as it might require. If the United Nations should act in this constructive and benevolent manner, and by unanimity, it would give the world added hope for the abolition of war and the establishment of a peace that would prevail.

Perhaps the proposal of the Soviet Union can be regarded as a hopeful sign of an intention to further that objective through aid to Greece.

The United States welcomes the Soviet statement that Greece is in real need of outside aid at the present time. I gathered from his remarks that he does not object to the provision by the United States out of its own resources of aid to Greece. His complaint seems to be that the United States has not properly taken the interests of the United Nations into consideration in its proposals.

I should like to remind the Council that, at the moment, the United States program of aid to Greece and Turkey is still only a proposal. The executive branch of the United States Government, in response to the request of the Greek and Turkish Governments, has made certain specific proposals to the Congress. A message of the Presi-

dent to Congress does not have the "factum" effect attributed to it by the Soviet representative. Nothing can be "post factum" until after the policy is made by the Executive and Congress. The Congress now has these proposals under study and they will be fully and openly debated in accordance with our democratic processes before any decision is reached. As soon as the Congress reaches a decision and any legislation is enacted into law, agreements will be entered into with the Greek and Turkish Governments. At that time, as I have already informed the Council, the United States will register these agreements with the Secretary-General. I shall also be glad to provide full information on this program to any member of the United Nations who desires it.

Until the Congress shall have acted in this matter it is quite impossible for anyone to predict exactly what form any aid to Greece and Turkey might take. I should assume that the Security Council or any other United Nations organ would not wish to take any action based upon mere supposition as to the action of the United States Government.

The fact that military aid to Greece and Turkey is contemplated under the proposals now before the Congress of the United States, and the fact that my distinguished Soviet colleague made a number of references to this in his remarks to the Council at its last meeting, require me to discuss two further aspects of the matter—first, the question whether the proposed aid to Greece and Turkey would constitute an unwarranted interference in the domestic affairs of those countries, and second, whether the proposed action by the United States would be inconsistent with the purposes and principles of the United Nations Charter.

The President's proposals to the Congress have been made pursuant to requests from the established Governments of Greece and Turkey. The Executive did not propose intervention in the domestic affairs of those countries. Moreover, any such intention is specifically repudiated in the Report from the Committee on Foreign Relations, recommending favorable action by the Senate on the bill (S. 938) which provides for assistance to Greece and Turkey. On page 5 of this Report it is stated:

"Section 3 provides that before assistance is

furnished, the Governments of Greece and Turkey shall agree to certain reasonable undertakings, consistent with the sovereign independence of these countries, which provide the United States with proper safeguards against the improper utilization of assistance furnished."

As I have already stated, any agreements entered into with the Governments of Greece and Turkey in this matter, pursuant to this legislation if passed, will be registered with the United Nations, and the Members of the United Nations will therefore be fully provided with an opportunity to determine if there is any unwarranted interference in the internal affairs of Greece or Turkey.

The Report mentioned further states:

"Such conditions are not, of course, intended to impair in any manner the sovereign independence or internal security of the two countries."

Rather than dwell further upon this aspect of the matter, I should prefer to rely upon any comments which the Governments of Greece and Turkey might wish to make at an appropriate time.

The proposed military aid might take the form, on the one hand, of providing small numbers of advisory personnel and, on the other hand, of providing military supplies and equipment. The purpose of the proposed aid is consistent with the purposes and principles of the United Nations Charter in respect to the maintenance of domestic tranquillity and the security of the state which are necessary for economic welfare.

The emergency aid proposed in both military and economic fields is in support of the United Nations policy of creating conditions of stability and well-being which are necessary for peaceful and friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples.

It is assumed that the need of all Members of the United Nations to rely upon their own resources—in the military sense, upon their armed forces—to preserve their territorial integrity and political independence will diminish as the United Nations progresses affirmatively in the tasks set forth under its Charter, and—pursuant to the Charter—by resolution of its constituent organs.

The United States has faith in the United Nations, a transcendent hope for its future accom-

plishment. The United States also has the unshakable determination to continue using all of its vast resources and power to further the purposes and principles of the United Nations, and to make of it what it was intended to be—an effective instrument for the abolition of war, the pacific settlement of disputes, and the constructive and progressive development of human welfare—all to the end that we may someday have upon this war-torn earth a peaceful society of man in which all peoples can fully enjoy political, economic, social, and religious freedom—above all, freedom from fear.

But in the situation in which we now find ourselves, realistically, the United Nations does not represent the infallibility of perfection. In this situation, it is understandable that the established Governments of Greece and Turkey, at this stage in the development of the United Nations, should have turned to the Government of the United States for assistance.

Finally, it is understandable that the Government of the United States, intent upon achievement of the high purposes and principles of the United Nations, should not turn a "deaf ear" to such requests for assistance.

I can, with complete confidence, assure the Security Council and all the Members of the United Nations, that any action that may be taken by the United States will have behind it the firm determination of both the executive and legislative branches of the Government, and of the people of the United States, to uphold the United Nations.

The amendment to the pending bill introduced by Senator Vandenberg with the support of the executive branch and the Foreign Relations Committee is proof of that determination, should any proof be needed. This amendment, as Senator Vandenberg said on Tuesday in the Senate:

"stops the functions of this bill whenever the Security Council, without counting vetoes, or the General Assembly finds that 'action taken or assistance furnished by the United Nations makes the continuance of assistance—under the bill—unnecessary or undesirable.'"

The immediate problem confronting us is the disturbances along the northern border of Greece. The draft resolution offered by the United States, and perfected by France, relates to that matter directly, and the position of the United States re-

main as it did in the beginning, namely: the United States believes:

(a) that special efforts should be made to expedite the report of the Commission;

(b) that the Commission should come to the seat of the United Nations as soon as its report is ready and be available to the Security Council throughout our consideration of this case; and

(c) that the Commission should leave representatives in the area concerned pending a new decision of the Security Council.

Therefore, I propose, Mr. President, that the Security Council should now act upon this amended resolution.

An orderly procedure would be as follows:

First, that the Council should proceed immediately to consideration and action upon the resolution which I introduced at our last session.

Second, that the Council thereafter proceed to such further discussion of the United States program for aid to Greece and Turkey as it desires.

Third, that action on the Soviet proposal or any other proposal relating to the pending United States program of aid be deferred pending definitive action by the Congress of the United States and the conclusion of agreements between the Governments of Greece and Turkey on the one hand, and the United States on the other.

We would then be in a position to judge calmly and objectively and in the spirit of unanimity which I hope will prevail in this Council, the merits of the Soviet proposal. It might well be appropriate to consider this proposal in conjunction with the Report of the Commission of Investigation of the Greek border disturbances.

## Questions and Answers Relating to the Greco-Turkish Aid Bill<sup>1</sup>

*Question No. 1:* Is not the Greco-Turkish question one to be submitted entirely to the jurisdiction of the United Nations? Have we by-passed the United Nations?

*Answer:* Mr. Acheson dealt at some length with this aspect of the problem in his statement before the Senate Foreign Relations Committee on March 24. He said in part:

"The situation of Greece and Turkey confronts us with only two alternatives: We can either grant aid to those countries or we can deny that aid. There is no possibility of putting the responsibility for extending the aid which Greece has asked from the United States on some other nation or upon the United Nations.

"This becomes clear when we consider the specific problems that confront Greece today and the specific kinds of assistance that Greece has requested from the United Nations on the one hand, and from the United States on the other.

"Let us consider first the problem arising from outside Greece's borders. Greece has charged before the Security Council that armed bands operating within her territory are partly supplied, trained, and given refuge in Yugoslavia, Bulgaria, and Albania, and that these bands are moving back and forth across the border. Greece has asked the United Nations for help in dealing with this situation, and the Security Council has appointed a commission which is at the present moment investigating the Greek charges on the spot. It is expected that this commission will begin writing its report early in April, and that report should be ready shortly thereafter.

"We do not know what the report will contain or the action that may be taken by the United Nations upon it. We hope and believe that United Nations action in this matter will result in the cessation of disturbances along Greece's northern borders. Such a result would be a most vital contribution to the situation in Greece and make possible the task of stabilization and rehabilitation. It would not

be a substitute for the assistance which Greece has asked from the United States. More is needed to deal with internal disorder and economic breakdown.

"The second problem confronting the Greek Government is the need for supplies and funds to enable it to cope with its internal difficulties, namely, the restoration of order in the country and the averting of economic collapse. The United Nations Relief and Rehabilitation Administration and the British Government have been helping Greece with these particular problems, and the present crisis has arisen because those two supports must be withdrawn.

"To whom was Greece to turn? The Food and Agriculture Organization of the United Nations, which recently sent a mission to Greece, recommended that the Greek Government request the Economic and Social Council of the United Nations and the United States and the United Kingdom to extend aid to it in securing funds for the continuation of essential food and other imports to cover the period after UNRRA's withdrawal, until expanding exports, international development loans, and expanding production should enable Greece to balance its international accounts.

"If Greece had applied to the United Nations or any of its related organizations, the essential element of time would have been lost and the end result would have been the same. The funds would have to come primarily from the United States. The United Nations does not of itself possess funds. The Economic and Social Council is an advisory body that recommends economic, financial, and social action to member states. The International Bank, which is just now completing its organization, is set up primarily to make self-liquidating loans for long-term reconstruction purposes. It has not yet made any loans whatsoever. The Economic Commission for Europe is still in its early organization stage.

"It may be that at some future time the United Nations will be organized and equipped so as to render emergency aid to member states of the

<sup>1</sup>Released Apr. 3, 1947, by the Senate Committee on Foreign Relations.

kind now needed in Greece and Turkey. But, as the President said, the United Nations and its related organizations are not now in position to extend help of the kind that is required. Even if some organ of the United Nations should decide to recommend assistance to Greece and Turkey, it would have eventually to turn primarily to the United States for funds and supplies and technical assistance. Even if the project were not blocked by the objections of certain members of the United Nations, much time would have been lost, and time is of the essence.

"In the longer range, the United Nations may be able to take over various parts of the economic and financial problem in Greece and Turkey. We are giving serious study and consideration to ways in which the United Nations may take hold of this problem after the present emergency is past."

*Question No. 2:* Does not the United Nations have a commission in Greece right now to investigate charges of external aggression by Yugoslavia and Bulgaria? Why not wait for this report? When is it expected? What action will the United Nations take if its commission reports aggression? How will this tie in with our plans? What will be our next step if neighboring countries continue to violate the Greek border?

*Answer:* The United Nations does have a commission presently in Greece to investigate charges of foreign interference by Yugoslavia and Bulgaria, and Albania.

As explained in the testimony given by Acting Secretary Acheson before the committee, the emergency will not permit us to wait for the commission's report. Also the commission is investigating only one phase of the Greek problem which is before us. Consequently, its report will cover only that phase and will not give an answer to the problem as a whole. Finally the work of the commission will be fruitless if all authority in Greece should collapse for failure to receive this emergency assistance.

It is expected that the commission will begin writing its report April 7 and that it may be ready within two or three weeks thereafter.

In the event that the commission's report substantiates the charges made, there are a number of measures which the Security Council could take under the provisions of the Charter. The Depart-

ment of State cannot forecast at this time the action which may be taken, since such action will depend on the nature of the report and agreement being reached by at least seven members of the Security Council.

Our plans and the proposed course of action are entirely consistent with any foreseeable action which the United Nations might take. Cessation of disturbances along the northern Greek frontiers would be helpful in relieving the general situation in Greece, and thereby make the task of stabilization and rehabilitation that much easier.

As to possible steps which might be taken in the case of continued violation of the Greek frontier, this has been answered comprehensively in the answer to the second part of question 95.

*Question No. 3:* Why was not the United Nations notified and consulted?

*Answer:* It was, of course, essential that a matter affecting the national security of the United States and requiring Congressional action should be referred to the Congress prior to notification to the United Nations. The decision as to what the United States should do to assist Greece and Turkey is now before Congress. A formal notification to the United Nations would either anticipate the decision of Congress or would lack substance. Senator Austin will make a statement on the Greek situation before the Security Council on Friday, March 28. The Department, of course, will keep the United Nations currently informed on the implementation of the United States program pertaining to Greece wherever the responsibilities and function of the United Nations and its related agencies are concerned. Any agreements reached between the United States and Greece or Turkey will be registered with the United Nations under article 102 of the Charter.

The problem of consultation with the United Nations is also dealt with in the answers to questions 1, 67, and 68.

*Question No. 4:* Is the United Nations likely to lose interest in its cooperative efforts if America agrees to accept world-wide responsibilities and commitments? If we act outside of the United Nations in this instance, will other countries do likewise when it serves their purpose?

*Answer:* In signing the Charter of the United Nations the United States accepted the most far-reaching and fundamental world-wide responsi-

bilities and commitments for the maintenance of the world's peace and security and hence our own. United Nations' effectiveness depends upon the willingness of the United States to carry out these responsibilities. What the United States proposes to do in assisting Greece and Turkey is an implementation, by the use of our own resources, of our responsibilities and commitments under the Charter. The proposed action of the United States thus would afford no justification for a loss of interest among the United Nations in cooperative efforts. On the contrary, our action would give the greatest encouragement to other members of the United Nations in that we would, by this action, foster economic, social, and political conditions, which the majority of the members of the United Nations would recognize are essential for the maintenance of the independence of Greece and Turkey.

The United States is supporting the United Nations, not acting outside of the United Nations. The United Nations Security Council Commission is now completing an on-the-spot investigation of frontier violations along the northern Greek border. The United States pressed for such action by the Security Council as long ago as September 1946, and, again successfully, in December 1946. The United States hopes that the commission's report will be prepared and forwarded with all possible speed following completion of its present schedule of investigation. The United States will press for effective action by the Security Council to solve security problems disclosed by the report.

However, Greece has a second problem, that of need for supplies and funds to enable it to cope with its internal difficulties and avoid economic collapse. As set forth by Mr. Acheson, in answer to question 1, Greece could turn only to the United States for emergency assistance since the United Nations and its related organizations are not now in a position to extend help of the kind required. The United States is considering ways and means by which the United Nations, following this emergency, may be able to grant assistance to Greece and hopes that the United Nations will be able to assume an increasing burden in this respect.

*Question No. 5:* Why cannot the World Bank be used to meet the situation in Greece and Turkey? If not available now, will it be likely to be avail-

able later to relieve us from this continuing burden?

*Answer:* It is the Department's view that the bank cannot be used to meet the immediate situation in Greece because a substantial degree of economic recovery and political stability must be accomplished there before Greece will be a good credit risk for the bank.

As pointed out by Mr. Clayton before the House and Senate committees, it is hoped that with effective utilization of the funds provided under the present program and with efforts by Greece to place the economy on a more stable basis she will be in a position to present requests to which the International Bank can give serious consideration. The Greek Government has already informed the bank of its intention to submit a formal loan application at some later date when its plans for reconstruction projects have been completed. As Mr. Clayton has already indicated in his statement of March 24 to the House Foreign Affairs Committee, it is anticipated that Turkey will in due time be able to procure through existing credit channels a substantial part of the resources required for general economic development.

The bank is not, of course, an agency designed to advance such funds for military purposes as may be required to accomplish the stated objectives of the proposed United States program.

*Question No. 6:* Why cannot some of these loans be made from the Export-Import Bank?

*Answer:* The same considerations outlined in the answer to question 5 regarding the World Bank apply to the Export-Import Bank. Under present circumstances, and until a substantial program of reconstruction has been carried out, Greece cannot be considered a satisfactory credit risk for further Export-Import Bank loans.

*Question No. 7:* When was the first information obtained by any persons in the White House, State Department, or other department of Government that Great Britain intended to withdraw its support to the Greek Government not later than March 31, 1947? Why was there such a long delay in developing our policy and presenting it to Congress?

*Answer:* The British *aide-mémoire* handed by the British Ambassador to the Secretary of State on February 24, 1947, was the first formal informa-

tion received to the effect that Great Britain intended to withdraw its support to the Greek Government not later than March 31, 1947. On February 21, when requesting an appointment with the Secretary for the British Ambassador, the British Embassy informally indicated to the Department of State what the purpose of his visit would be.

The officers of the executive branch of the Government immediately formulated their recommendations to the President. On February 27 the President, having considered these recommendations, consulted with leaders of the Congress. The program was then further elaborated. Another conference was held with congressional leaders on March 10. The President's message was delivered to the Congress on March 12.

*Question No. 8:* Are there \$220,000,000 of Greek credits blocked in London banks, which the Greeks cannot use outside of the British sterling zone, and which Greek Embassy officials here say they could spend if released for the same kind of relief we shall be asked to provide? If so, is there no way to use these credits in this situation?

*Answer:* On February 27, 1947, the Bank of Greece had available unpledged freely expendable sterling exchange in the amount of 21,500,000 pounds, equivalent to \$86,000,000 at the rate of \$4 to one pound. Of this amount roughly half constituted a loan from the Bank of England originally granted for the purpose of currency stabilization.

In addition the British Government recognizes an obligation to the Greek Government in the amount of 12,300,000 pounds (\$49,200,000) for British military authority notes issued in Greece and drachma advances by the Bank of Greece to British military forces. This amount is almost completely offset by obligations of the Greek Government to the British Government for expenses incurred by the British on Greek account. The settlement of these obligations would net Greece only about 500,000 pounds sterling (equivalent to \$2,000,000), available for expenditures by Greece in the sterling area. It should be pointed out that although 21,500,000 pounds is designated as "freely expendable", it is expendable only in the sterling area which can supply only limited quantities of the types of goods required by Greece. It is estimated that of the total non-military import

requirements of Greece during the next two years only one fifth can be procured in the sterling area, the other four fifths being available only in the dollar area. Such imports as will be available from the sterling area can probably be financed in large part out of earnings from Greek exports to the sterling area.

Greek sterling balances may remain near the present level, but cannot make a significant contribution to the solution of the current difficulties of Greece because of the basic shortage of goods in the sterling area.

The same limitation applies to the sterling balances of Greek individuals abroad, even if they could be brought completely under the control of the Greek Government. The amount of these individual balances is not known.

*Question No. 9:* What other current requests for financial or military aid have been made of the United States Government for any foreign country?

*Answer:* The United States Government has received requests from the following countries of Latin America, Asia, and Africa for loans through the regular machinery of the Export-Import Bank, the Foreign Liquidation Commission, and, in a few instances, the Maritime Commission: Bolivia, Brazil, Colombia, Costa Rica, Ecuador, El Salvador, Honduras, Mexico, Nicaragua, Peru, Venezuela, Japan, Egypt, Ethiopia, and Siam.

In addition, responsive to the President's statement of December 15, 1945, outlining the policy of the United States toward China, the bank in April 1946 earmarked \$500,000,000 for possible additional credits on a project-by-project basis to Chinese Government agencies and private enterprises. Up to the present date no implementing agreements had been consummated between the bank and representatives of the Chinese Government.

Additional information concerning loans to European and Near Eastern countries are given in the answers to questions 83 and 84.

Current requests for assistance, in the form of military equipment, from the United States Government have been made by the following foreign countries other than Greece and Turkey:

*The Philippine Republic.*—This assistance stems from Public Law 454 of the Seventy-ninth



Congress. Negotiations are now under way to determine the extent of this aid.

*Italy.*—The request involves various items of military equipment required by the armed forces permitted to Italy under the treaty of peace.

*Iran.*—It is anticipated the total amount of the request will be relatively small.

Requests of foreign governments for the purchase of United States surplus arms, ammunition, and implements of war without the aid of United States credits are excluded from the above answer.

It is to be noted that none of the above requests would involve any special legislation by Congress and that all of the requests are in the nature of repayable loans.

*Question No. 10:* What other countries, in the opinions or plans of the State Department, may require similar aid? Do we have a general policy of aid or support for other countries?

*Answer:* At the present time the Department of State has no plans for the extension of similar aid to other countries. It is believed that the prompt extension of the aid proposed to Greece and Turkey would have the effect of encouraging constructive, democratic forces in other areas and thereby of reducing the possibility of similar situations arising elsewhere.

In case other countries should find themselves in situations similar to that of Greece and Turkey, and should call upon the United States for aid, it is the intention of the Government of the United States to examine each request in the light of all the circumstances and to extend such aid as might seem most effective within the limits of its capabilities. As Mr. Acheson pointed out in his statement of March 24:

"It cannot be assumed . . . that this Government would necessarily undertake measures in any other country identical or even closely similar to those proposed for Greece and Turkey."

The President's message to Congress sets forth the general policy with respect to aid or support to other countries. In the event that situations similar to that which exists with respect to Greece and Turkey should arise with respect to other countries, the administration would, of course, present the matter to Congress before undertaking to extend aid of the character now proposed for Greece and Turkey.

*Question No. 11:* Does the United States Government have any undisclosed commitments to foreign nations as a result of promises made at previous conferences by the late President Roosevelt or by President Truman or by former Secretaries of State Hull, Stettinius, and Byrnes?

*Answer:* All tripartite agreements among the United States, the Union of Soviet Socialist Republics, and the United Kingdom, have now been made public with the publication on March 24 of the texts of the Tehran, Yalta, and Potsdam agreements.

*Question No. 12:* Are there any commitments concerning (a) control of the Dardanelles; (b) the status of Greece; (c) the status of Turkey; (d) control generally in the Mediterranean; (e) control of the Suez Canal; and (f) access to the oil fields of Iraq and Iran?

*Answer:* The United States Government has no commitments concerning the matters mentioned other than those contained in the Charter of the United Nations.

*Question No. 13:* Has the State Department any information which would indicate that the United States would be requested or required to send any armed force to Greece in the foreseeable future if this loan is made?

*Answer:* The State Department does not possess any information to indicate that the United States would be requested or required to send an armed force to Greece in the foreseeable future.

In his statement before the Senate Foreign Relations Committee on March 24, Secretary Acheson said:

"The present proposals do not include our sending troops to Greece or Turkey. . . . We do not foresee any need to do so. And we do not intend to do so. We have no understandings with either Greece or Turkey, oral or otherwise, in regard to the sending of troops to those countries."

*Question No. 14:* In the opinion of the State Department, would Russia be entitled to interpret the proposed assistance as an unfriendly and overt act on our part justifying retaliatory measures on the part of the Soviet Union?

*Answer:* In the opinion of the Department of State the Soviet Union would not be entitled to interpret the proposed assistance as an unfriendly and overt act on our part, justifying retaliatory

measures on the part of the Soviet Union. The assistance proposed is not directed against any legitimate interests of the Soviet Union. The establishment of stable political conditions and a sound economy in Greece will, in our opinion, greatly diminish the possibility of friction arising out of the Greek question.

*Question No. 15:* Would the United States provide relief for the Greek people if within the next few weeks there should be an upheaval resulting in the establishment of a government under the domination of Greek Communists? If the Communists should gain control, would we follow the same policy as it is proposed to do at a time when Greece is under the control of the constitutional monarchy?

*Answer:* A government under the domination of Communists could come into power in Greece in the next few weeks only through subversive action by a minority against the will of the majority. That being the case, the United States would not propose to follow the policy which we are submitting to the Congress at the present time.

Mr. Acheson pointed out in his statement in this connection on March 24 that—

“Since our primary purpose is to help people who are struggling to maintain their independence and their right to democratic development, we would not of course want to continue this aid if we should find that our efforts were being frustrated by anti-democratic practices.”

*Question No. 16:* In case the respective Governments of Greece and Turkey fall in spite of our efforts, then what do we do about it?

*Answer:* We believe that if this proposed program is carried out the democratic constitutional systems of Greece and Turkey will be preserved. If, in spite of our assistance, that should not be the case, our course of action would have to be determined in the light of the new conditions thereby created.

*Question No. 17:* Is it true that thousands of tons of UNRRA supplies lie rotting on the docks in Greece, and that a great deal of machinery is going to waste because nobody knows how to use it or maintain it? What steps are being taken to prevent the occurrence of instances like this?

*Answer:* No; it is not true. It has, however,

been reported by reliable sources that small quantities of equipment supplied by UNRRA (particularly items of construction machinery) have remained for considerable periods of time at the port of Piraeus. The Greek Government has not been in a position to pay promptly for the costs of moving and distributing some of this equipment and there has been some inefficiency on the part of local authorities in handling arrivals.

The proposed assistance to Greece would enable her to improve this performance, particularly with the advice of American technical experts.

*Question No. 18:* Is the expenditure of money proposed to be granted by the Congress to be handled exclusively by the American Mission (a) as to amount within the appropriations; (b) as to method and purpose; (c) as to location?

*Answer:* Under the recommended legislation, the President of the United States will determine the allocation of expenditures and the methods, purposes, and location of such expenditures. In making such determination he will be guided by the recommendations of the American Mission.

*Question No. 19:* What form of organization will direct American policy in Greece? Will it be a number of separate commissions, or one commission or one man? Would there be any objection to a commission consisting of Democratic and Republican representatives from the House and Senate as well as others approved by the President?

*Answer:* Mr. Clayton on March 24, 1947, in his statement before the House Foreign Affairs Committee said:

“It will be necessary to send a civilian mission to Greece to administer this Government’s interest in the program. We cannot now say what the size of such a mission would be, or how it would be organized; these questions are still under study.”

The Department will keep the Congress informed of its recommendations as soon as they are prepared. Mr. Clayton also stated in his testimony that the appointment of the Chief of Mission could appropriately be subject to senatorial confirmation.

*Question No. 20:* Is it proposed that our commission remain after Greece is restored to a normal economic condition?

*Answer:* The primary task of the mission would be to assist in assuring the effective utilization of

whatever financial aid may be extended to Greece and to help Greece to begin the reconstruction of her own economy and public administration. It is planned to withdraw the mission as soon as that task has been accomplished.

*Question No. 21:* If American missions supervise expenditures of funds, will they have power to veto expenditures of which they do not approve? Will they have control over the use of commodities purchased once they have been delivered? In other words, will the control be more effective than it was in UNRRA, when we controlled expenditure of funds we contributed but neither we nor UNRRA could effectively control the use to which the supplies were put once they were delivered?

*Answer:* It is proposed that American missions will supervise expenditures of funds and that they will have the power to veto expenditures of which they do not approve. They will also have adequate control over the use of commodities procured under the program.

*Question No. 22:* Is there any break-down to show how the proposed \$400,000,000 will be spent, or is it to be a blank check handed to the President or State Department to spend at their own discretion?

*Answer:* This question was answered by Mr. Clayton's statement before the House Foreign Affairs Committee, March 24, 1947. In summarizing the Greek program, Mr. Clayton said that approximately half of the \$300,000,000 Greek program would be devoted to military purposes and that—

"the \$150,000,000 civilian program for Greece consists of the \$20,000,000 agricultural rehabilitation program and a reconstruction program which includes \$50,000,000 for foreign-exchange costs and \$80,000,000 for internal costs."

Mr. Clayton further stated:

"I should like to emphasize that all the estimates I have given you are necessarily rough approximations and that it is essential that flexibility be maintained, so that adjustments between various portions of the program can be made in the light of experience and developments which cannot now be anticipated in detail."

It has also been pointed out by Mr. Clayton in his testimony before the Senate Foreign Relations

Committee on March 25, 1947, that Congress will be kept informed by regular reports.

*Question No. 23:* What is the nature of this transaction? Does it involve loans, grants, or gifts? Does it commit us to additional loans, grants, or gifts to Greece and Turkey?

*Answer:* This question was asked Mr. Acheson in the hearings before the House Foreign Affairs Committee. In response thereto Mr. Acheson expressed the opinion that it should be left to the discretion of the President as to whether the assistance should be in the form of loans or grants. He continued:

"My strong recommendation to the President would be that all of these funds which are used for non-wealth-producing purposes, such as current consumption, and use for the importation of military items, should not be in the form of loans.

"If you burden the economies of these two countries with loans for those purposes, you will make it much more difficult for them to be effective borrowers from the International Bank.

"If any part of these loans can be used, and we hope some of it can be used for reconstruction, that is actually putting up some new wealth-producing asset, that could well be in the form of a loan."

*Question No. 24:* Is there any possibility that any or all of the \$400,000,000 will be repaid? If so, to what extent and how?

*Answer:* As indicated in the answer to the preceding question, it is not believed wise or practical to attempt to determine at this time whether and to what extent repayment may be feasible.

*Question No. 25:* Is it our national intention to follow temporary relief contributions of food, money, and technicians with enduring post-war credits of all kinds?

*Answer:* This Government's policy does not require that temporary relief contributions of food, money, and technicians necessarily be followed by "enduring post-war credits of all kinds". It is the policy of the United States Government to foster world economic rehabilitation, development, and trade. Where credits are necessary to achieve these objectives, it has been the policy of this Government to consider such applications sympathetically, to the extent possible within existing financial channels, taking into account the credit stand-

ing of the applicant and resources available for such assistance.

*Question No. 26:* What will be the extent of the military aid proposed for Greece or Turkey as to personnel and costs?

*Answer:* With respect to military personnel, it is contemplated that only limited, technical personnel would be required, having as its function to determine the details of the military requirements of Greece and Turkey and to assist in assuring that the financial assistance granted to enable Greece or Turkey to organize and equip their armed forces will be effectively utilized. Secretary Forrestal suggested before the committee that perhaps at the outset three or four naval officers and possibly 20 or 25 men would be sufficient for the limited purpose of advising the Greek authorities. Secretary Patterson indicated a rough estimate of approximately between 10 and 40 Army officers might be adequate for similar purposes. Under the terms of the proposed legislation any personnel sent would serve only in an advisory capacity. No combat armed forces would be supplied.

As to costs of naval equipment, it was indicated that information currently available as to the extent of requirements is not complete, that any details as to costs will have to be determined when a report is available from personnel who may be sent to Greece, and that in any event the amount to be allocated for the supply of naval matériel will be relatively small. Approximately \$150,000,000 is estimated as necessary for military and civilian type equipment for the Greek armed forces.

It is contemplated that about \$100,000,000 will be allocated to the Turkish program, all of which would be used for the armed forces or to a lesser extent for economic projects directly related to Turkish security.

*Question No. 27:* What advances in the way of property, goods, and money have been made to Turkey and Greece by the United States Government since the war began? What advances have been made to these states by international organizations to which the United States belongs?

*Answer:* GREECE.—The United States Government has authorized the use of \$196,500,000 of which \$56,000,000 are left from authorizations and will be available for use in the future. As its share of UNRRA, the United States has contrib-

uted \$255,000,000 (excluding freight) to Greece. Total aid to Greece authorized amounts to \$451,000,000. A summary of United States aid from October 15, 1944, to December 31, 1946, is as follows:

*United States economic assistance to Greece other than UNRRA, Oct. 15, 1944, to Dec. 31, 1946*

[Millions of dollars]

Agency	Amount authorized	Amount disbursed or committed	Available balance Jan. 1, 1947
(a) Lend-lease . . . . .	81.5	81.5	-----
(b) OFLC Surplus credits . . . . .	45.0	23.8	21.2
(c) Export-Import Bank . . . . .	25.0	5.6	19.4
(d) Maritime Commission . . . . .	45.0	30.0	15.0

TURKEY.—The United States Government has disbursed or advanced \$101,000,000 to Turkey as aid of one sort or another since the war began. Turkey has remaining \$30,000,000 more from the authorizations available for use in the future. UNRRA, to which the United States contributed, has made no advances to Turkey. A summary of United States aid from the beginning of the war to January 31, 1947, follows:

Agency	Authorized	Disbursed	Available balance Jan. 1, 1947
Export-Import Bank:			
Westinghouse . . . . .	\$3,060,000	-----	\$3,060,000
Exporter credit . . . . .	25,000,000	\$4,905,440	20,094,560
OFLC credits . . . . .	10,000,000	3,226,518	6,773,482
Lend-lease . . . . .	90,000,000	90,000,000	-----
Maritime Commission . . . . .	2,919,811	2,919,811	-----
Total . . . . .	130,979,811	101,051,769	29,928,042

<sup>1</sup> In addition, the Turkish Government received \$5,000,000 in lend-lease articles for which it paid cash.

It should be noted that the undisbursed balances of credits available to Greece and Turkey have already been taken into consideration in calculating the amounts of financial assistance requested of the Congress in the pending bill. For the most part these remaining credits could not be used for the purposes to which funds authorized by the bill would be devoted.

*Question No. 28:* What oil holdings, in the way of concessions, lease holdings, and other interests, do United States companies have in the Near and Middle East? In what states are these holdings located, and what is the value of the holdings of the different companies?

*Answer:* The Standard of California and the Texas Co. own jointly and equally a concession covering about two thirds of Saudi Arabia. The Standard of New Jersey and Socony-Vacuum are concurrently carrying on negotiations to purchase 30 and 10 percent interests, respectively, in this concession. The value of the holdings is indicated by the reserves estimate of 5,000,000,000 barrels.

The Standard of California and the Texas Co. own jointly and equally a concession covering all Bahrein Island. The value of the holdings is indicated by the reserves estimate of 300,000,000 barrels.

The Gulf Oil Corp. owns a 50-percent interest in the concession covering the Sheikdom of Kuwait. The other 50-percent interest is owned by Anglo-Iranian Oil Co., Ltd. The value of the holdings is indicated by the reserves estimate of 9,000,000,000 barrels, of which 4,500,000,000 barrels is American-owned.

The Iraq Petroleum Co. owns concessions covering all Iraq, most of Syria, Qatar, and all the Sheikdoms on the periphery of the Arabian Peninsula from Qatar to Yemen. Of all these holdings only Iraq and Qatar have been proved productive. The American interest is 23.75 percent of the corporation, which interest is owned equally by the Standard of New Jersey and Socony-Vacuum. The value of the holdings of the Iraq Petroleum Co. is indicated by the estimated reserves in Iraq and Qatar which total 6,000,000,000 barrels, of which nearly one fourth is American-owned.

The reserve figures shown herein are those which have been published in American Petroleum Interest in Foreign Countries (S. Res. 36, 79th Cong.). Since very little is known about the area these reserves estimates are regarded as indicating little more than their order of magnitude. Obviously it would be impossible to convert these estimates into dollar values at this time.

As for company investment it is believed that the ARAMCO has spent to date about \$180,000,000 in Saudi Arabia. Comparable figures on other areas in the Middle East are not presently available.

There are no American oil interests in Iran.

*Question No. 29:* Is it our purpose to support the present Greek Government; that is, the monarchy? Is it our proposal to support the present Turkish Government? In other words, what will be our

attitude toward the domestic control of internal affairs in these countries?

*Answer:* It is our primary purpose to assist the Greek people, so that they may retain the opportunity to choose the form and composition of their Government in accordance with the wish of the majority. This also applies to Turkey. We do not conceive it to be our function to influence the judgment of these two peoples with regard to their Governments. If the Greek people wish to have a king, just as the British wish to have one, and the Swedes, the Norwegians, and the Dutch, that is a matter for them to decide.

Whatever we may do to assist Greece and Turkey, we propose scrupulously to respect the sovereignty of those countries with respect to the conduct of their internal as well as their external affairs.

*Question No. 30:* What are the exact forms of government now in existence in Greece and Turkey? When were these Governments established as they now operate, and to what extent do the people of the respective countries have a voice in their Governments? Have there been recent elections in either or both of the countries, and under whose auspices were such elections held? Is it the view of our Government that the Governments of either or both countries are democratic? Is it contemplated to suggest changes? What efforts are being made by the Governments of Greece and Turkey to stamp out Communism?

*Answer:* The Government of Greece is a constitutional monarchy similar in its general character to those of the Scandinavian countries, the Netherlands, Belgium, and Great Britain. The King's powers are very limited and he can act only through his ministers, who are members of and responsible to the popularly elected Parliament. A government of this character, though varying as to details at different periods, has been the rule in Greece almost ever since that country obtained its independence. The present constitution was adopted in 1911. There is universal manhood suffrage in Greece and the present Parliament is regarded as being representative of at least 85 percent of the population. The last parliamentary elections were held on March 31, 1946, and were observed by an American, British, French, and South African mission, sent at the request of the Greek Government. The elections were conducted

by the Greek authorities in accordance with the constitution. The foreign observers reported that they were generally fair and gave a true picture of the will of the Greek people at that time.

The Turkish Government is a republic under a constitution adopted in 1923, which provides for a representative parliament elected by universal suffrage. The executive is headed by a president who is chosen by the members of the parliament. Under him there is a cabinet which is selected from and is responsible to the members of the parliament. The last parliamentary elections in Turkey were held in July 1946 after a free political campaign.

It is the view of the Department of State that both the Greek and Turkish Governments are essentially democratic and that both are progressing along the road of democracy. The essential democracy of these two Governments is, it is believed, demonstrated by the fact that in both countries substantial opposition parties are not only legal but are carrying on an energetic campaign of criticism of the Governments in power without hindrance by the governmental authorities. Both countries enjoy freedom of the press to a degree which exists in few other countries.

The United States Government does not propose to dictate to either Greece or Turkey the form or composition of its Government. We believe that in both cases if there is freedom from fear and from economic want, the peoples of the two countries will be able to elect the type of government they desire, and it is our desire to assist them to this end.

The Communist Party is legal in Greece and carries on its activities freely within the limits of the law which regulates all political groups. The Greek Government has taken certain measures against individuals whose disloyalty to the state is considered established and is carrying out military campaigns against Communist-led bands which are openly defying the authority of the state.

The existence of a Communist Party is not permitted in Turkey, and it is believed that there are very few Communists in that country.

*Question No. 31:* What evidence has been submitted which would lead one to believe Russia is attempting to take over the governments or to establish governments which would be dominated

by Russia in either or both countries? Is there positive evidence of Russian infiltration? If so, to what extent have either or both Governments made attempts to prevent such infiltration or to force the return to their own country of any Russians or their representatives? What is the number of Communists in each country and what positive evidence is there, if any, that Russia is directing the policies and activities of these Communist groups?

*Answer:* An examination of the President's message and of the proposed legislation will indicate that the President has not charged that any specific country is attempting to take over the Greek or Turkish Governments or to establish governments dominated by it in either or both countries.

With regard to Greece, it would appear to the Department, from the information available to it, that the principal threat to Greek independence comes from armed groups in Greece led by Communists. The purpose of these armed groups appears to be to prevent the reconstruction of an independent, democratic Greece. They would seem to be determined to promote economic chaos until such time as they might be able by force to seize the power. There is no doubt that these armed groups are receiving encouragement from abroad.

A United Nations commission is now in Greece which has among its objectives the investigation of alleged border violations. It would be unwise to make further comment regarding the nature of the support which the armed groups are receiving from abroad until the report of this commission has been received.

So far as is known, there are at present no organized armed groups in Turkey intent upon undermining the independence of that country. The pressures of various kinds which have been exerted upon Turkey from without during the last 18 months are so well known that it would appear to be unnecessary for them to be set forth in detail by the Department of State at this time. It is hoped that aid to Turkey would prevent the development of conditions within that country which would render it difficult for it to withstand pressures from without which might threaten its independence.

No precise figures are available regarding the number of members which the Communist Party

has at this time in Greece and Turkey. It is believed, however, that that party has relatively few members in each country. The threat to Greek independence comes not so much from the number of Communists in Greece as from the groups which the Communists have been successful in dominating as a result of the economic misery of the Greek people. The Communist Party in Turkey is outlawed and, therefore, such Communist activities as are carried on in that country must be of a secret character.

*Question No. 32:* When did Turkey enter the war, and what efforts were made and by whom to have her do so? Were any promises made to her by way of credits, supplies, and the like? Did she receive aid before and since she entered the war? To what extent did Turkey cooperate with Germany before her entry into the war? Did she trade with Germany before she entered the war, and to what extent? What did Turkey do to help the Allies after she entered the war? Did she furnish troops? Did she furnish materials or supplies?

*Answer:* Turkey declared war on Germany and Japan on February 23, 1945, having previously broken off diplomatic relations with Germany on August 2, 1944, and with Japan in February 1945.

Following the Tehran conference in late 1943, the suggestion was made to the Turkish Government by the Soviet, British, and American Governments that Turkey should enter the war on the side of the United Nations. The Turkish Government agreed in principle, but pointed out that its force would require substantial quantities of equipment if they were to play an effective role in the war. Negotiations in this regard were opened and continued over a considerable period, but, in view of their other commitments, the Allies were unable to meet the Turkish needs. The decision not to undertake a Balkan campaign, of course, greatly reduced the part Turkey could have played in the conduct of the war. In the opinion of the United States Government, Turkish neutrality was useful to the United Nations, and it is doubtful whether any greater benefits would have been derived from active Turkish belligerence.

At the time of her declaration of war, the only inducement offered to Turkey was the opportunity to become a charter member of the United Nations organization through participation in the San

Francisco conference. The same inducement was offered several other nations which had remained neutral up to that time.

Following the declaration by President Roosevelt on November 7, 1941, that the defense of Turkey was vital to the defense of the United States, Turkey received lend-lease material amounting to approximately \$90,000,000 in value. Great Britain also provided substantial quantities of supplies to Turkey during the war.

In the opinion of the Department of State, Turkish contact with Germany prior to her declaration of war was limited to the minimum necessary to preserve her neutrality. In general, throughout the war, Turkey maintained an attitude of benevolent neutrality toward the United Nations and lived up to the obligations of her treaty with Great Britain and France. In many ways Turkey actively assisted the Allies by admitting Allied technicians to Turkish territory, allowing the establishment of Allied supply dumps, and facilitating the passage of Allied wounded, escaped prisoners, and so forth, through Turkey, all of which was in technical violation of the requirements of neutrality.

Before the outbreak of the war, Turkey, like many other European nations, especially those of Southeastern Europe, necessarily depended upon Germany as an important market for her exports. Under the Nazi trading system, the Turks could realize upon their sales in Germany only by importing German goods in return. Consequently, a large share of Turkey's foreign trade fell into German hands before the war. During the war the situation was further complicated by Turkey's isolated position and the inability of the Western Allies to send ships to the principal Turkish ports, Istanbul and Smyrna. Nevertheless, both before and during the war, Turkey did her best to reduce her trade dependence upon Germany and to open trade channels with other countries. All trade with Germany, of course, ceased at the time of the severance of diplomatic relations in 1944.

Following her entry into the war, Turkey was not called upon to provide troops or materials or take an active part in the fighting, because the Balkans, the only theater in which her contribution would have been effective, had already been occupied by the Soviet and British forces.

*Question No. 33:* How does our Government



reconcile its position of desiring to assist Turkey and Greece as well as other countries to fight Communism through loans and gifts, when it is furnishing food and supplies to countries which are alleged and known to be dominated by Russia?

*Answer:* The difference between the policies expressed in the requested appropriation of \$350,000,000 for general relief and \$400,000,000 for Turkey and Greece lies in the nature of the two programs. The relief appropriation is designed to do exactly what is implied in its designation—provide food and related goods to countries in need of assistance and without the means to pay in foreign exchange for these goods. It is a measure designed to do our part in the prevention of starvation, regardless of the political aspects of the governments in control, based on the principle that relief of this kind is for people in need, and that these unfortunate people cannot be allowed to suffer from hunger because of the nature of their governments. Relief extended under the \$350,000,000 program would be closely supervised and used only where needed to prevent actual suffering. The government of any people receiving such assistance would have to agree to full publicity concerning the source of the relief and rigid conditions as to equitable distribution of the supplies. It is believed that our struggle to maintain our ideals in the world will not be impaired by the prevention of suffering on such a basis.

The special assistance to Greece and Turkey, on the other hand, is designed specifically to strengthen the Governments involved and rehabilitate their economic systems in order to provide the economic basis for their defense and independence. This program involves expenditures for capital as well as current items and implements the announced foreign policy of the United States to assist in maintaining the liberty and independence of free peoples. Its purpose, therefore, is not relief as such.

It is in these fundamentally different purposes that the two proposals differ and are at the same time consistent with each other and with over-all United States foreign policy.

*Question No. 34:* Is it the plan to remove all British soldiers from Greece as well as in Turkey, if any, before assistance is actually made available? What authority, if any, will remain in the British Government in these areas where we are furnish-

ing funds and supplies under the proposed plan of assistance?

*Answer:* It is not the plan to remove all British soldiers from Greece before the proposed assistance is made available. There is no connection between the presence of British troops in Greece and the proposed assistance. The British have indicated that it is their intention to withdraw their troops from Greece in the near future. There are no British troops in Turkey.

The British Government will have no authority in those areas to which our proposed assistance would be extended.

*Question No. 35:* What period of time is this amount expected to cover? Does the State Department have any idea, based on the present conditions in Greece, as to how long American economic aids will be necessary, and to what maximum extent?

*Answer:* The present request for financial assistance is expected to cover the period through June 1948.

Based on present conditions in Greece it is not possible to state definitely how long American economic aid will be necessary and to what maximum extent. It is expected, however, that if the aid requested can be provided and is used effectively, Greece should be able to make such real progress toward economic recovery that she could look to the International Bank for assistance in financing her further reconstruction and development needs.

*Question No. 36:* Do our military authorities feel that Soviet Russia's military strength is such that they are likely to take action against the United States either in connection with our entrance into Greece or as the result of some other dispute arising during the next two years? (The Senator asking this question says he expects no analysis of the Russian character, but only some light on their military strength and their own confidence in it.)

*Answer:* In the opinion of the Department of State, there is no reason to believe that any country would find provocation for action against the United States as a consequence of our proposed course in the Greek crisis. Beyond this it is believed that public expressions of opinion by the executive branch of the Government on the military strength and effectiveness of a foreign power

as against the United States would not be in the public interest.

*Question No. 37:* What evidence has our Government that a government dominated by Greek Communists could spread Communism in other parts of the Mediterranean, or spread "confusion and disorder throughout the entire Middle East"? How is the "national security of the country" involved?

*Answer:* It is not believed that it would be in the interests of the United States to enter into a public discussion regarding the evidence which this Government has that a government dominated by Greek Communists would spread "confusion and disorder throughout the entire Middle East". An examination of the map, however, should make it clear that the geographical position of Greece is of such a character that the conquest by Greece of Communist groups would have a great impact upon the whole Near East.

Furthermore the unhappy fate which would befall those democratic elements in Greece which have had the courage to oppose Communism at the hands of the victorious Greek Communists would have an oppressive effect upon the democratic constructive forces of the other countries of the Near East.

The chain of events which would be likely to follow the conquest of Greece by Communism would unquestionably result in a degree of instability in the whole Near and Middle East which might well result in the outbreak of armed conflicts of a character dangerous to the maintenance of peace.

*Question No. 38:* After our missions have moved into Greece and rehabilitated the Greek Army and spent millions on reconstruction, could Greece, with our assistance, resist an invasion?

*Answer:* The purpose of our proposed assistance to Greece is not to put Greece in a position to resist overt aggression by foreign countries. Our objective is to so strengthen the internal economic structure and the internal security of Greece that she will be relieved of the danger of the overthrow of constitutional government by an armed minority.

The Department considers that an invasion of Greece would be clearly a matter for the United Nations to handle, and the United States Govern-

ment would, of course, cooperate fully with the United Nations in dealing with such a situation.

*Question No. 39:* While we are in Greece, will we permit elections to be held? Will we retire from Greece in case a duly elected majority of the Greek people in fair election request our retirement?

*Answer:* The answer to both questions is in the affirmative. We do not propose to assume such authority in Greece as would permit us to say whether or not elections should be held. Neither would we propose to operate in Greece if a majority of the Greek people clearly did not want our assistance. Mr. Acheson pointed out in his statement on March 24, regarding our proposals for aid to Greece and Turkey, that "our aid will not be continued any longer than it may be needed or wanted by those countries".

*Question No. 40:* If British troops remain in Greece, will the United States merely feed and clothe the populace while Great Britain continues to supply the directing policies of the Greek Government? Would the continued presence of Britain's armed forces interfere in any way with the development of the American programs of economic help to Greece?

*Answer:* The answer to both questions is in the negative. Such information as this Government has indicates that it is not in accord with the facts to suggest that Britain at present supplies the "directing policies of the Greek Government".

The British have indicated that British forces will probably be entirely withdrawn in the next few months. In any case, British forces have not interfered with past efforts to furnish relief and economic aid to Greece and there is no reason to suppose they will do so in the future.

*Question No. 41:* Is it true that the Greek Army includes among its commissioned officers a number of members of the security battalions which were set up under Nazi influences? Is it true that these alleged collaborators participated in Jewish deportations for liquidation purposes?

*Answer:* It is of course possible that there are still some officers in both the Greek gendarmerie and Army who were members of the security battalions which functioned during German occupation. According to information considered reli-

able, the Greek Government has been making a determined and successful effort to screen out of the Army anyone whose record during the period of occupation indicated sympathy with, or cooperation with, the enemy.

It is possible that some security battalions participated in rounding up Jews for deportation. However, such information as is available indicates that it was for the most part German troops who collected Jews and shipped them out of Greece. Most of the Jews in Greece lived in Salonika and were deported from there by German troops. The Greek people as a whole have an excellent record in their attitude during the war toward Jewish people. As an offset to the few who collaborated with the enemy in Jewish deportations, there were many who risked their lives to protect Jews. Archbishop Damaskinos himself intervened with the Germans on several instances and instructed his colleagues to aid the Jews. The Greek people have never been anti-Semitic.

*Question No. 42:* How many British troops are still in Greece, and how long are they expected to remain?

*Answer:* It is believed that there are at present less than 10,000 British troops in Greece. No exact date has been set for their departure, but the British Government has announced its intention of withdrawing all its forces in the near future.

*Question No. 43:* What is the size of the Greek Army? the Turkish Army?

*Answer:* According to such information as is available, the Greek Army numbers approximately 100,000 men, and the Turkish Army between 500,000 and 600,000.

*Question No. 44:* Does the administration contemplate action to "assist" the Central Government in China against its armed Communist minority similar to that now being proposed in Greece?

*Answer:* As was explained by Secretary Acheson in testifying before the House Committee on Foreign Affairs, March 20 and 21, the situation in Greece is quite different from that in China. This Government, therefore, does not propose to follow identical courses of action in the two countries. However, as Mr. Acheson also pointed out, the United States has already extended very large financial credits to the Chinese Government and

has armed and equipped some 36 divisions of the Chinese Army.

*Question No. 45:* Should not provision be made that all purchases of goods in this country be made through the United States Treasury Procurement Service, thereby avoiding fixers and graft?

*Answer:* As Mr. Clayton has stated before the House Foreign Affairs Committee on March 24 and the Senate Foreign Relations Committee on March 25:

"It is my considered opinion that in the United States any purchases with these funds should be made through the procurement agencies of this Government, or, if made otherwise, should be subject to careful supervision and strict control."

*Question No. 46:* Why is legislation necessary to authorize the sending of a military mission? Is this not a constitutional privilege of Presidents? If legislation were proposed to prohibit the President from sending a military mission, would not the State Department hold that the legislation was unconstitutional on the ground that it interferes with the right of the Executive (a) to conduct foreign relations, and (b) to command the armed forces?

*Answer:* The proposed legislation provides for—

"detailing a limited number of members of the military services of the United States to assist those countries, in an advisory capacity only—"

and makes applicable to personnel detailed the provisions of the act of May 19, 1926, as amended, which are applicable to personnel detailed pursuant to that act.

It is believed that even though the President may, under the Constitution, detail in time of peace military personnel to render services to a foreign government, it is appropriate for him to ask Congress to participate in the decision to follow such a course of action. The act of May 19, 1926, which dealt with the detail of military personnel to certain foreign governments, is an instance where Congress has previously participated in such a decision.

However, there are additional reasons which make congressional action in this instance indispensable. An examination of the personnel provisions of the act of May 19, 1926, which the proposed

legislation makes applicable to personnel detailed to assist Greece and Turkey, shows that they authorize:

(a) Acceptance by detailed military personnel, from the government to which they are detailed, of offices and such compensation and emoluments thereunto appertaining as may be first approved by the Secretary of War or the Secretary of the Navy.

(b) The receipt by such personnel, in addition to the compensation and emoluments allowed them by such governments, of the pay and allowances thereto entitled in the United States military services.

(c) The allowance of the same credit for longevity, retirement, and for all other purposes that they would receive if they were serving with the forces of the United States.

These are matters concerning the maintenance, support, and the government and regulation of the military forces of the United States and the Constitution vests the power with respect to such matters in the Congress (art. I, sec. 8).

*Question No. 47:* Who made the recommendations to the State Department on the Greek and Turkish situations? Was it Paul Porter, Mark Ethridge, or the regular Ambassador, or someone else?

*Answer:* Recommendations to the Department regarding the Greek and Turkish situations were made by all the responsible American representatives in those two countries.

*Question No. 48:* Is there more need for protecting the present form of government in Greece than in any of the other Balkan countries, or particularly Northern China?

*Answer:* Greece is the only Balkan country which has thus far been successful in maintaining a democratic form of government, and the Department of State is of the opinion that it is in the interests of the United States that Greece should be permitted to exist as an independent, democratic, economically sound state.

This Government considers Northern China to be an integral part of the Chinese Republic. It also takes the position that it is in the interest of the United States and of world peace that China should also exist as an independent, democratic, economically sound state.

*Question No. 49:* Are we laying down a general principle which will govern our policy everywhere in the world, and particularly in China, Poland, Finland, Iran, Iraq, Afghanistan, and India?

*Answer:* In his statement on March 24, Mr. Acheson said:

"Any requests of foreign countries for aid will have to be considered according to the circumstances in each individual case. In another case we would have to study whether the country in question really needs assistance, whether its request is consistent with American foreign policy, whether the request for assistance is sincere, and whether assistance by the United States would be effective in meeting the problems of that country. It cannot be assumed, therefore, that this Government would necessarily undertake measures in any other country identical or even closely similar to those proposed for Greece and Turkey."

*Question No. 50:* If the cost of maintaining the Turkish Army can only be met by reducing the Turkish standard of living, does America intend to subsidize the Turkish civilian population for so long a time as Turkey maintains an oversized military establishment?

*Answer:* Assistance to Turkey would not be provided in any case to enable her to maintain a military establishment larger than necessary, nor would such aid be designed to "subsidize" the civilian population. With improved conditions, it is hoped that the need for maintaining the Turkish military establishment would diminish in time.

*Question No. 51:* If British troops are withdrawn from Greece, will American troops replace them in approximately comparable numbers?

*Answer:* Mr. Acheson answered this question as follows in his statement on March 24:

"The present proposals do not include our sending troops to Greece or Turkey. We have not been asked to do so. We do not foresee any need to do so. And we do not intend to do so. We have no understandings with either Greece or Turkey, oral or otherwise, in regard to the sending of troops to those countries."

*Question No. 52:* If British troops are withdrawn from Greece and American troops do not

replace them, what plan will be followed to maintain law and order?

*Answer:* It is our expectation that with the assistance to be provided by the United States in the form of supplies and equipment, together with the improved conditions which should result from the provision of American financial and technical assistance, the Greek Army, gendarmerie, and police forces will be adequate to maintain law and order in Greece. In this connection it should be remembered that the British troops have taken no part in the maintenance of internal order since their brief participation in the armed clashes of December 1944.

*Question No. 53:* Does our entry into Greece and Turkey under the circumstances proposed by President Truman entail the abandonment of the Monroe Doctrine with its corollary that if European countries keep out of North and South America, we likewise shall keep out of Europe?

*Answer:* President Truman's proposal does not entail in any respect an abandonment of the Monroe Doctrine.

We do not understand the alleged corollary contained in the above question to the effect that if European countries "keep out" of North and South America, we shall "keep out" of Europe. Twice in the last 25 years the United States has gone to the assistance of democratic countries in Europe by sending 3,000,000 men at one time and 4,000,000 men at the other time. After World War I, the United States contributed approximately \$2,000,000,000 to the relief of suffering in Europe. Since World War II, we have contributed about \$4,000,000,000 for the same purpose. President Truman's present proposal is to respond to the requests of two nations which have asked for assistance from the United States.

*Question No. 54:* Is there any essential difference between America operating in Turkey and Greece and Russia operating in the nations of Eastern Europe? How can America ask Russia to retire within its national boundaries if America has no intention of remaining within her own?

*Answer:* In answering this question, the Department of State does not believe it appropriate to accept the invitation offered by the question to comment on the activities of the U.S.S.R. in Eastern European countries. It restricts its answer

to dealing with the implication that the United States "has no intention of remaining within her own" boundaries.

The United States is not following a policy of isolation. Neither is the United States by President Truman's proposals or otherwise contemplating any action in Greece or Turkey other than responding to requests for economic, financial, and expert assistance.

*Question No. 55:* Is it the intention of the administration that no pressure will be exerted on the Greek Government to take Communists into the Government, as apparently has been our policy in China?

*Answer:* Mr. Acheson in his statement of March 24 addressed himself to this aspect of the problem. He stated that—

"It is feared in some quarters that the proposed United States program for Greece constitutes a blanket endorsement of its present government. Others have suggested that the United States make its assistance conditional on changes in the composition of the Greek Government.

"As to the first point, I can do no better than to emphasize the President's declaration that we do not condone everything the present Greek Government has done or will do. As to the second, I do not think that such interference in Greek affairs would be justified.

"The present Parliament of Greece was democratically elected in an election which foreign observers agreed was fair. There can be no doubt that it represents the majority of the Greek people. The present Greek Cabinet contains representatives of 85 percent of the members of the Greek Parliament . . .

"It is not the object of our aid to Greece either to help to maintain or to help to remove the present government or the King of Greece. It is our object to help to maintain the present constitutional system of Greece so long as the majority of Greeks desire it, and to help Greece create conditions in which its free institutions can develop in a more normal fashion.

"It is not claimed that all persons involved in the present armed challenge to the Greek Government are Communist. There are among them many persons who honestly, but in our opinion mis-

takenly, support the Communist-led forces because they do not like the present Greek Government. The political amnesty offered by the Greek Government offers to all the opportunity to cooperate in making democratic Greek institutions work."

*Question No. 56:* What agency will supervise the execution of these various plans? What individuals will head up the proposed organization so far as present information goes? Would the administration object to a provision requiring Senate confirmation of the principal American representatives entrusted with this responsibility?

*Answer:* It is planned that the State, War, and Navy Departments will supervise the execution of the various programs relating to their respective fields. As Mr. Clayton has said before the House Foreign Affairs Committee and the Senate Foreign Relations Committee, it is planned to send to Greece an American mission to supervise the execution of the economic program. He further stated that it was planned to send an initial mission consisting of 25 to 50 persons, headed by a person of outstanding ability. Mr. Clayton also stated before the Senate committee that the State Department has no objection to the Senate confirmation of the mission chief.

*Question No. 57:* Will the administration take the Congress, or at least its Foreign Relations Committee, into its confidence as new special situations begin to appear?

*Answer:* It is the intention of the administration to inform Congress, if and when such special situations as those existing in Greece and Turkey should develop. As the President has said, the executive and legislative branches must work closely together on major problems of this sort.

*Question No. 58:* Is not the President taking on too big a load in putting this matter on a universal or global basis rather than strictly limiting it in the case of this action to Greece and Turkey?

*Answer:* The President in his message to Congress recommended that the United States respond to the requests for assistance made to it by Greece and Turkey. In the course of his message, he said:

"I believe that it must be the policy of the United States to support free peoples who are resisting attempted subjugation by armed minorities or by outside pressures."

We believe that this statement is in entire accord with the principles of the United Nations Charter and the duties of the members of the United Nations. As pointed out in answer to question 49, the President did not assert that the measures which he was recommending in the case of Greece and Turkey would be the measures appropriate to support the statement of principle in other situations.

*Question No. 59:* Would a gift of money to Great Britain for Greece achieve the same purpose? Have any attempts been made financially or otherwise to assist Britain to remain in Greece?

*Answer:* No consideration has been given to the possibility of making a gift of money to Great Britain to be spent for Greece. It is not believed that such a course would be an appropriate or desirable way to respond to the request.

No attempts have been made financially or otherwise to assist Britain to remain in Greece.

*Question No. 60:* Should the proposed action increase or justify Russia's fear that we are engaged in an encirclement of Russia? Would Russia be justified in viewing our action as a threat now or in the future against Russia's own territorial integrity?

*Answer:* The United States Government does not consider that its proposed action to assist in bringing about stable conditions in Greece and Turkey could in any way be considered as a step in the encirclement of any country. In our view, the establishment of such stable conditions, far from constituting any threat to the territorial integrity of any other country, should on the contrary contribute to the establishment of European peace and tranquillity, which is in the best interests of all countries.

*Question No. 61:* What are the conditions in Turkey that necessitate our proposed assistance to Turkey?

*Answer:* For some years Turkey, in order to provide for its national security in accordance with its own judgment of the necessities of the situation, has maintained a considerable portion of its military manpower under arms. This has placed an economic strain upon the country both in obtaining from abroad the necessary equipment and supplies for the Army and maintaining the productive power of the country. In the past

Turkey has had help from both the United States and the United Kingdom. United States lend-lease help ended in 1945. The United Kingdom cannot provide further assistance. In order to prevent deterioration of the Turkish economic situation, which might weaken the country and compromise its position, Turkey has requested American financial assistance which the President proposes that we grant.

*Question No. 62:* If the United States supplies aid to Turkey do we become a co-guardian of the Dardanelles?

*Answer:* The status of the Dardanelles is regulated by the Montreux convention of 1936. By the terms of this convention, Turkey is solely responsible for the defense of the Straits. Action by the United States to assist Turkey with money or supplies would not place any special responsibilities on the United States with regard to the Straits.

*Question No. 63:* Is it not a fact that Great Britain is maintaining in Palestine a military force which is ten times as great as that in Greece, and which involves expenditures running into hundreds of millions of dollars, despite the alleged inability of Great Britain to take care of the situation in Greece? Was any attempt made to study if available British military personnel concentrated in Palestine could have been utilized in Greece? Should not the Palestine question now be settled with Britain in this same connection?

*Answer:* This Government is not in a position to state precisely how large the British military forces in Palestine are. It is possible, however, that they are ten times as numerous as those in Greece. This Government also is not in a position to estimate the expenses incurred by Great Britain in maintaining British forces in Palestine. No attempt has been made to ascertain if available British military personnel concentrated in Palestine could be utilized in Greece, since neither the British Government nor the American Government has proposed that the military personnel in Greece be increased. The assistance contemplated for Greece is not in the form of increased foreign armed forces.

It is believed that it would be unfortunate to link the question of extension of aid to Greece with the Palestine problem. It will be recalled that

Great Britain has indicated its intention to submit the Palestine problem to the United Nations. It will undoubtedly be many months before the United Nations will be able to find a solution to the Palestine problem, and the question of aid to Greece, as pointed out by the President, is extremely urgent.

*Question No. 64:* Does not the present Greek crisis indicate the need for a frank discussion of Russian-American relations at the highest level? What does the Government of the United States intend to do about it?

*Answer:* Secretary Marshall is now in Moscow negotiating upon several of the important problems in Soviet-American relations, and this Government will continue to make every proper effort to resolve outstanding problems on a basis consistent with the principles to which the United States adheres.

*Question No. 65:* Can the action contemplated by the President be considered intervention in the internal affairs of other sovereign states?

*Answer:* The proposed action cannot properly be considered as intervention in the internal affairs of other states, because it will be undertaken only at the request of the states concerned and in accordance with the wishes of the peoples of those states. It is further our intention to establish the bases of our activities in both countries through free and open negotiation with their governments. There will be no attempt to force our aid upon either country nor will there be any attempt to derogate their sovereignty.

*Question No. 66:* What safeguards will the United States take with respect to the administration of the assistance to Greece and Turkey in order to avoid the charge that we are attempting to dominate these countries?

*Answer:* The manner in which our proposed assistance to Greece and Turkey will be administered will be determined in the end by agreement with the Governments of the countries concerned. We shall be careful at one and the same time to make sure that American funds are properly utilized for the greatest benefit of Greece and Turkey and that this is done in full accord with their Governments and with full respect for their constitutional systems. It is not possible at this stage to outline the exact procedures that will be followed.



*Question No. 67:* Before the Congress accepts the responsibility of passing on this question, should it not be put up to all the members of the United Nations for their approval or disapproval? Regardless of the veto power which the Great Powers have, is it not true that approval by practically all of the members of the United Nations would give great substance to the justice of the act we propose?

*Answer:* The Department is doubtful of the desirability of trying to obtain public expressions of view from 55 governments on a matter on which the United States Government has not itself reached a decision. In any event it is impossible, even had such action been initiated on the date of the President's message to Congress, that the views of the United Nations' members could be obtained either through a special session of the General Assembly or by an individual poll prior to March 31, the date at which emergency assistance should begin.

*Question No. 68:* If this help to Greece and Turkey must be immediate, could we not arrange with the United Nations that we act now, with the further understanding that money we now spend for this purpose will be considered as an obligation of the United Nations to be reimbursed later?

*Answer:* There is no organ of the United Nations now in session which could enter into such an understanding with the United States Government. It would be necessary to convene a special session of the General Assembly to consider the question.

Since the present crisis arises in part because the British Government finds itself unable to continue aid to Greece and Turkey, it is plain that that Government would not be in a position to agree to reimburse the United States. The Department of State knows of no other nations which could or would be willing to assume this burden. The United Nations organization has no resources apart from those of the nations which are members thereof.

*Question No. 69:* Does the assumption of the British obligations in Greece by the United States mean that the United States is underwriting the *status quo* in the Middle East?

*Answer:* In extending assistance to Greece of the character proposed, the United States is not

assuming the obligations of Great Britain nor of any other power. Such assistance would be given in the interest of the peoples of Greece, in the promotion of world peace, and of the security of the United States.

It is not the intention of the United States to underwrite the *status quo* in the Middle East. It will be recalled that in his message to Congress, on March 12, the President said:

"The world is not static and the *status quo* is not sacred. But we cannot allow changes in the *status quo* in violation of the Charter of the United Nations by such methods as coercion, or by such subterfuges as political infiltration."

*Question No. 70:* Did President Truman know of this impending emergency when he advised Congress on March 3 to allow Selective Service to lapse?

*Answer:* The President did know of the impending emergency at that time. The note had been received from the British Ambassador on February 24 and communicated to him, and it will be recalled that prior to March 3 discussions had been initiated with congressional leaders on the problem. However, the request for aid from the Greek Government was not received until March 3.

*Question No. 71:* How much money has the American Government contributed through various sources to the Government of Yugoslavia in the past three years?

*Answer:* Yugoslavia has received \$32,000,000 of lend-lease aid since July 1942, of which \$39,000 has been received since September 1945. Data for the period of the last three years are not readily available. The United States share of UNRRA's contribution to the Yugoslavia relief program was \$312,000,000, exclusive of freight (based on 72 percent of the total contribution), all of which was furnished in the past three years.

*Question No. 72:* How much money has the American Government contributed through various sources to the people of Greece in the past three years?

*Answer:* The United States contributed \$255,000,000 as its share of UNRRA shipments to Greece through January 1, 1947. As regards other types of assistance, the figures given in the answer to question 27 (on United States aid to Greece since

the beginning of the war) also constitute an answer to this question, since all of such aid has been given to Greece in the past three years. It should be pointed out, however, that the credits listed in the answer to question 27 as extended by the OFLC and Maritime Commission, do not involve any monetary outlays.

*Question No. 73:* Does the United States Government intend to tell the Greek Government how it shall set up its Government budget, its tax system, its civil-service system, and how to conduct its foreign trade, or other Governmental activities, including development and training of the Greek Army with American weapons?

*Answer:* We do not intend to dictate to the Greek Government regarding the conduct of its internal affairs. However, it will be necessary that controls acceptable to the United States Government be established at key points so that the funds and supplies made available are used to best advantage. This may require active participation by members of the American mission in cooperation with the Greek administrative authorities. The Greek Government has already made several requests for expert advice in several fields, and it is believed that the Greek Government would welcome such expert advice as the United States might be able to provide in matters such as fiscal and tax policies and administration, import and exchange controls, and the like. There is reason for believing that advice on military matters would also be welcome, but present plans do not envisage any training program for the Greek armed forces under American auspices, except possibly for limited technical instruction in the use of American equipment.

*Question No. 74:* How many military missions will we furnish for service in Greece? Of what will each mission consist?

*Answer:* Final plans in this regard have not been made. It is anticipated that only one mission will be sent and that its primary function will be to determine Greek needs for equipment and to make sure that the supplies furnished by the United States reach their proper destination in time and in good condition. As Secretary Patterson explained to the committee on March 24, the members of the mission may also show the Greeks

how to use technical items of American equipment which may be furnished.

*Question No. 75:* Are the salaries and expenses of military missions and other American experts in addition to the \$400,000,000 involved in the proposed loan?

*Answer:* It is expected that the pay and allowances of military personnel will not be paid out of the \$400,000,000 request, as provided in section 1, paragraph 3, of the bill, although some expenses incidental to their activities will probably be so paid. In the case of civilian employees, salaries and expenses will be paid out of the \$400,000,000 request.

*Question No. 76:* Will the military supplies be provided from existing war surpluses, or will war surpluses be provided in addition to those purchased by the new loan?

*Answer:* Existing stocks of United States military supplies and equipment will be used under these programs wherever desirable. Such deliveries would be counted as part of the assistance to be rendered under the proposed bill, although this would not apply to purchases of war surplus made by the Greek or Turkish Governments under surplus credits made in accordance with existing legislation.

*Question No. 77:* Will the United States furnish planes to Greece and Turkey, and all the modern weapons of war?

*Answer:* Exact determination of the needs of the Greek and Turkish armed forces has not yet been made. This will be one of the functions of the small military missions which it is proposed to send to those countries. Since one of the purposes of the American assistance is to improve the effectiveness of the security forces of the two countries in meeting their respective problems, it is expected that the United States will furnish such modern weapons as may be found necessary and appropriate in each case.

*Question No. 78:* Will the United States fleet be constantly maintained in the Mediterranean? Do acts of this nature constitute belligerence, inviting retaliation?

*Answer:* In a public statement on September 30, 1946, Secretary of the Navy Forrestal said that it was planned to maintain a squadron of

American naval vessels in the Mediterranean to support the Allied occupation forces in Europe and to protect United States interests in that area. He pointed out the benefits to the Navy, from the point of view of training and morale, obtained from such operations in foreign waters and the opportunities they offer to promote good-will and better understanding with the peoples of the Mediterranean. In his testimony before the committee, on March 24, Secretary Forrestal stated that the squadron now in the Mediterranean normally consists of four cruisers and eight or nine destroyers, to which other vessels are occasionally added for training purposes.

The presence of naval vessels in foreign waters is not regarded in international practice as having any belligerent or unfriendly character. On the contrary, visits of naval vessels to foreign ports are generally regarded as being in the nature of good-will calls. It is customary to obtain the advance agreement of the country to be visited, and this practice is followed by the United States.

Maritime nations have for centuries been in the habit of sending their naval ships on training and service cruises in all parts of the world. In the past, as at present, the United States has had squadrons stationed in Asiatic and Mediterranean waters. Cruises to Northern Europe, South America, Africa, and other areas have been commonplace in the peacetime life of the Navy.

*Question No. 79:* How many experts will be sent to Greece and for what specific purpose? Are any names available?

*Answer:* The question appears to overlap with question 19. In reply to question 19 reference was made to Mr. Clayton's statement, on March 24, 1947, before the House Foreign Affairs Committee, in which he said:

"It will be necessary to send a civilian mission to Greece to administer this Government's interest in the program. We cannot now say what the size of such a mission would be, or how it would be organized; these questions are still under study."

According to present estimates an initial mission of 25 to 50 persons would be required, to be increased when, as, and if more people are necessary to do the job. The Department will keep the Congress informed of its recommendations as soon as they are prepared.

*Question No. 80:* Will the British Government relinquish any of her claims to oil interests or controlled trade in the Middle East in return for our substitution for her role in Greece?

*Answer:* The proposed aid to Greece is not for the benefit of the Government of Great Britain. Its objectives would be to enable Greece to exist as an independent, self-supporting, and economically sound state, to promote world peace, and to safeguard the security of the United States. There is, therefore, no reason for the Government of the United States to bargain with the Government of Great Britain or any other third government, before extending aid to Greece of the kind proposed.

*Question No. 81:* Are the guerrillas we now oppose in Greece armed with American war weapons previously provided by us? Did these guerrillas fight the Germans during the recent war with these same weapons?

*Answer:* Few of the weapons now in the hands of the guerrillas are of United States origin. They are a mixture from many sources. During the war, arms were smuggled into Greece and other areas in the Balkan Peninsula for use by resistance movements against the Germans. It is quite evident that many of these still remain in the hands of Greek guerrillas. According to the terms of the Varkiza agreement of February 1945, all arms in the possession of Greek resistance groups were to be turned in to the Government. However, many were evidently hidden away and are now being used by the guerrillas in addition to others subsequently smuggled into the country.

*Question No. 82:* Why not send relief to the starving people in Greece through the International Red Cross?

*Answer:* The International Red Cross is composed entirely of Swiss citizens and its function is to safeguard the provisions of the Treaty of Versailles having to do with the care of prisoners of war and the sick and wounded in time of war.

*Question No. 83:* What financial commitments have already been made to European nations? What expenditures have been made in fulfillment of these commitments, and what additional commitments are contemplated?

*Answer:* Aside from the British loan, the United States Government had made commitments of \$2,999,000,000 to European countries through Ex-

port-Import Bank loans, Maritime Commission credits, and credits granted in connection with sales of war surplus by OFLC and the War Assets Administration. Of this amount, \$1,962,000,000 has been expended. Additional credits aggregating \$152,000,000 are under consideration.

*United States financial assistance to European countries*

[000 omitted]

Agency	Credits committed	Amounts spent	Additional credits under consideration
Export-Import Bank . . . . .	\$1,966,750	\$1,150,769	\$73,000
Maritime Commission <sup>1</sup> . . . . .	193,000	118,000	4,000
War Surplus Sales (OFLC) <sup>1</sup> . . . . .	829,000	693,700	75,000
War Assets Administration <sup>1,2</sup> . . . . .	10,000		
Total . . . . .	2,998,750	1,962,469	152,000

<sup>1</sup> This financial assistance does not require monetary outlay by the U.S. Government.

<sup>2</sup> The amount shown is for Finland.

Detailed break-down by countries is given in attached tables A to C.

TABLE A (Question 83).—*Export-Import Bank (as of Feb. 28, 1947)*

[000 omitted]

	Credits committed	Amounts spent	Credits under consideration
Austria . . . . .	\$750		\$28,000
Belgium . . . . .	100,000	\$100,000	
Czechoslovakia . . . . .	21,500	19,618	20,000
Denmark . . . . .	20,000	15,000	
Finland . . . . .	79,500	47,838	
France . . . . .	1,200,000	754,000	
Germany . . . . .			10,000
Greece . . . . .	25,000	3,400	6,000
Hungary . . . . .			
Italy . . . . .	130,000	10,505	
Netherlands . . . . .	300,000	185,000	
Norway . . . . .	50,000		
Poland . . . . .	40,000	6,408	
Total . . . . .	1,966,750	1,150,769	73,000

TABLE B (Question 83).—*Maritime Commission credits to European countries*

[Millions of dollars]

	Credits committed	Amounts spent	Credits under consideration
Italy . . . . .	51	21	
France . . . . .	56	31	4
Norway . . . . .	41	25	
Greece . . . . .	45	41	
Total . . . . .	193	118	4

TABLE C (Question 83).—*War surplus sales by OFLC on credit to European countries <sup>1</sup> (as of Mar. 21, 1947)*

[In millions of dollars]

	Credits committed	Amounts spent	Credits under consideration
Austria . . . . .	10	1.9	
Belgium . . . . .	49	49.0	3
Czechoslovakia . . . . .	50	9.3	
Denmark . . . . .	10		
Finland . . . . .	25	14.9	
France . . . . .	300	300.0	50
Greece . . . . .	45	23.8	10
Hungary . . . . .	30	29.7	
Iceland . . . . .			2
Italy . . . . .	160	160.0	10
Netherlands . . . . .	30	12.8	
Norway . . . . .	10	1.9	
Poland . . . . .	50	30.4	
United Kingdom . . . . .	60	60.0	
Total . . . . .	829	693.7	75

<sup>1</sup> Surplus sales on credit do not require monetary outlay by the U.S. Government.

<sup>2</sup> New sales suspended Sept. 13, 1946.

**Question No. 84:** What financial commitments have already been made to Middle Eastern nations? What expenditures have been made in fulfillment of these commitments, and what additional commitments are contemplated?

**Answer:** The United States has granted credits of \$75,000,000 to countries in the Middle East through February 1947, of which \$21,000,000 has been spent. Additional credits under consideration amount to \$21,400,000.

*United States financial assistance to Middle East nations*  
[In millions]

Agency	Credits committed	Amount spent	Additional credits under consideration
Export-Import Bank <sup>1</sup> . . . . .	\$50.0	\$6.0	
Maritime Commission <sup>2</sup> . . . . .	5.0	5.0	\$10.4
War Surplus sales (OFLC) <sup>3</sup> . . . . .	20.0	10.0	11.0
Total . . . . .	75.0	21.0	21.4

<sup>1</sup> Of the credits committed, \$25,000,000 is for Turkey and \$25,000,000 for Saudi Arabia, of which Saudi Arabia has spent \$6,000,000.

<sup>2</sup> Amounts shown are for Turkey.

<sup>3</sup> The \$10,400,000 represents \$1,400,000 for Turkey and \$9,000,000 for Iran.

<sup>4</sup> The \$11,000,000 represents \$1,000,000 for Yemen and \$10,000,000 for Iran.

<sup>5</sup> This financial assistance does not involve monetary outlays by the U.S. Government. For break-down of credits committed and amounts spent by countries see following table:

*War surplus sales by OFLC on credit to Middle East countries <sup>1</sup>*

[In millions of dollars]

	Credits committed (as of Feb. 28, 1947)	Amounts spent (as of Dec. 31, 1946)
Iran . . . . .	3.0	3.0
Lebanon . . . . .	5.0	2.5
Saudi Arabia . . . . .	2.0	1.5
Turkey . . . . .	10.0	3.2
Total . . . . .	20.0	10.2

<sup>1</sup> Surplus sales on credit do not involve monetary outlays by the U.S. Government.

NOTE.—The foregoing tables do not include credits to Greece, which is not classed as a Middle Eastern country.

*Question No. 85:* What steps are being taken to convince the Soviet Union that our policy is not aimed at construction of an encirclement of Russia?

*Answer:* There is nothing secret about our proposed policy. It has been fully set forth in the President's message and published throughout the world. We do not consider that there is any ground for construing our policy as being aimed at the encirclement of any country and we believe that the speedy carrying out of the proposed action along the lines set forth by the President will be the best evidence that our objectives are solely those stated by the President.

*Question No. 86:* Is the figure of \$250,000,000 suggested for Greek aid an estimate for a fiscal year, or merely an initial estimate based on the intention of seeking additional funds at periodic intervals?

*Answer:* The figure proposed for Greek aid is \$300,000,000 which is an estimate for the period March 31, 1947, through June 30, 1948, that is for the last quarter of fiscal 1947 and for the entire 1948 fiscal year.

*Question No. 87:* What guaranties are being sought from the Greek Government concerning political freedoms in Greece?

*Answer:* This Government is not proposing any special guaranties from the Greek Government concerning political freedoms in Greece. The existing constitution and laws of Greece contain provisions guaranteeing those freedoms. Greece's problems do not arise from lack of constitutional guaranties but from disturbed conditions which impede the operation of constitutional government. It is anticipated our assistance will be instrumental in stabilizing the political as well as the economic situation and thus will assure the Greek people the full freedom to conduct their own affairs which they have traditionally enjoyed. It is to be noted that the Greek Government has already announced its intention to hold new elections in the near future.

*Question No. 88:* Does the United States Government or any corporation within the United States, with the approval of the State Department, have any agreement with any foreign government or corporation with that foreign government, with respect to the control or division of oil in the Near

and Middle East, with special reference to the so-called "red line" agreement? If so, what are those agreements?

*Answer:* Neither the United States Government nor any corporation within the United States, with the approval of the Department of State, has any agreement with any foreign government or corporation within that foreign government, with respect to the control or division of oil in the Near and Middle East.

Following World War I diplomatic negotiations involving Middle East concessions were primarily concerned with the application of the open-door principle to the disposition of concessions in the mandated territories of what was formerly the Ottoman Empire. Following these negotiations certain concessions in these mandated territories were offered to American companies. Certain American companies took advantage of the offer made to them. The terms under which they participated in these concessions were considered by the Government of the United States to be matters of a commercial character. The United States Government did not participate in any way in the drafting of the group agreement which resulted, nor in any negotiations among the private parties by means of which the group agreement was consummated.

The companies participating in the Iraq Petroleum Co. (which include, as a 23.75 percent interest, a joint subsidiary of New Jersey and Socony) are signatories of the group agreement or inter-company agreement of 1928. This agreement is a complicated document setting forth the various rights, interests, and obligations of the constituent companies of the Iraq Petroleum Co. It includes, among other things, the so-called "restrictive clauses" or self-denying ordinances which are commonly referred to as the "red line" agreement. These clauses stipulate that the constituent companies shall not separately seek oil rights or concessions or purchase oil in a defined area, the extent of which was indicated by a red line drawn on a map attached to the original contract. The area so defined was substantially identical with the Ottoman Empire of the pre-World War I period. It included Turkey, Iraq, the Levant States, and all of the Arabian peninsula including the adjacent islands of the Bahrein archipelago; it excluded Kuwait and Iran.

Recently the American element in the Iraq Petroleum Co. was advised by counsel that the group agreement is no longer valid. The American companies thereupon informed their partners in the Iraq Petroleum Co. that they were willing to negotiate a new group agreement without the restrictive clauses. The French company in the Iraq Petroleum Co. (Compagnie Française des Pétroles) refused to accept opinion of counsel as to the validity of the old group agreement and brought the issue to litigation in the British courts. Simultaneously, discussions are proceeding in London among the Iraq Petroleum Co. partners in an effort to arrive at a negotiated settlement and at a satisfactory new group agreement.

The Anglo-Iranian Oil Co. and the Gulf Oil Corp., which jointly and equally own the Kuwait Oil Co. (which in turn holds a concession over the entire territory of Kuwait), agreed between themselves, in what is known as the Kuwait inter-company agreement, that neither party would market its share of Kuwait oil in an area in which the other party had an established market position. While this agreement, with the above-mentioned article, is still in force it is not believed that this so-called "marketing clause" is in fact operative at the present time or will be hereafter.

*Question No. 89:* Was any agreement or understanding reached at Yalta or Potsdam, or at any other meeting between the United States, Great Britain, and Russia, under which Greece and Turkey were recognized as being within the British "sphere of influence"? Were any other "spheres of influence" established by the Big Three?

*Answer:* The United States is not and has not been a party to any sphere-of-influence agreement. During the war the British and American Governments agreed that the Eastern Mediterranean would be an area in which the British would carry the primary military responsibility for operations against the common enemy, although the United States did furnish a considerable quantity of supplies for these operations. This was a purely military arrangement and in no sense an agreement upon spheres of influence.

*Question No. 90:* What are the British commitments in Greece? Which of these do they give up on March 31? If a British military force remains

in Greece, what, if any, obligations have we to support it?

*Answer:* So far as this Government knows, the British Government has no binding commitments in Greece other than an obligation to furnish certain financial assistance up to March 31, 1947.

The United States would have no obligation to support any British force which might remain in Greece.

*Question No. 91:* The President has asked \$350,000,000 for relief. Mr. Hoover has also reported on suggested relief items. Will any of this be used in Greece and Turkey? How much more, if any, is asked in the present budget for food or relief to any foreign people?

*Answer:* The joint resolution on relief in 1947, recently reported out by the House Foreign Affairs Committee, includes a program of relief assistance to Greece within its proposed figure of \$350,000,000. The specific amount for Greece is not detailed as yet and will vary according to the need and available supplies and funds during the calendar year 1947. It is estimated that the bare relief needs of Greece in 1947 are in the neighborhood of \$50,000,000 to \$60,000,000. Such amount of this as cannot be supplied from sources other than the United States would be furnished from the \$350,000,000 appropriation. No amount for Turkey is included.

In addition to the \$350,000,000, the War Department has requested appropriations of \$1,025,000,000 for relief in occupied countries, and \$73,000,000 has been requested as our contribution to the International Refugee Organization.

*Question No. 92:* Specifically, how far does the Government expect to go in the matter of the proposed military missions to Greece and Turkey? Will they be purely advisory staffs, or will the plan involve a substantial force for policing the program?

*Answer:* It is anticipated that any military missions to Greece or Turkey will be purely advisory. It is impossible to say at this time how many men may be involved but it is expected that the number will be small. Secretary Patterson, in his testimony before the committee on March 24, estimated that the military section of the mission to Greece would probably number between 10 and 40 men.

*Question No. 93:* Does any agreement exist with the British Government with reference to the implementation of the proposed plan of assistance to Greece and Turkey, or will the United States be free to act in the interest of the Greek and Turkish people and in protection of its own interests and obligations without being in a position of submitting its plans to another government?

*Answer:* There is no agreement with the British Government with reference to the implementation of the proposed plan of assistance to Greece and Turkey. The United States is free to act in agreement with the Greek and Turkish Governments, respectively.

*Question No. 94:* In the opinion of the State Department, what is the basic justification for the steps that are contemplated under the Greek agreement? Are they, in the opinion of the State Department, basically preventive steps against war, and, if so, how?

*Answer:* It is the considered view of the Department of State that the measures of assistance to Greece proposed in the pending bill are designed to arrest and reverse a steady economic and political deterioration which, if unchecked, would probably lead to the overthrow of the Greek constitutional regime against the wishes of the great majority of the Greek people and the eventual loss of Greek independence. Such a development, as was pointed out by Secretary Acheson in his testimony before the committee, would have most serious effects upon the situation in Turkey and other countries in the Mediterranean and Near East. The result would be a situation of fear, uncertainty, and general disturbance which habitually produce international friction. On the other hand, the successful execution of the proposed American program would not only preserve the freedom and restore the well-being of the Greek people but would also reassure and encourage all other peoples who are striving to achieve or maintain their own freedom and stability. Thus, the bases of international peace and the foundations of the United Nations would be strengthened.

*Question No. 95:* In view of the critical situation in the Near East, cannot pressure be brought to bear on the representatives of the various governments in the United Nations to bring about the more immediate creation of an international police

force under the United Nations jurisdiction, and the handling by the Council of situations like that presented in Greece?

*Answer:* Every effort has been and is being exerted by the United States Government to bring about the earliest possible conclusion of the agreements contemplated in article 43 of the Charter by which members of the United Nations would make available to the Security Council on its call armed forces, assistance, and facilities necessary for the purpose of maintaining international peace and security. Other members have joined with the United States in this effort, as evidenced by the inclusion in a resolution unanimously adopted by the General Assembly on December 14, 1946, of a recommendation that the Security Council "accelerate as much as possible" the conclusion of these agreements. Subsequently, the Security Council adopted on February 13, 1947, a resolution requesting the Military Staff Committee to submit to it "as soon as possible and as a matter of urgency" the recommendations previously requested in relation to this matter and to submit by April 30, 1947, recommendations on the basic principles which should govern the organization of the United Nations forces.

The disappointingly slow progress which took place during 1946 in this difficult and hitherto unexplored field of international cooperation and the obstacles encountered are described in the section dealing with the Military Staff Committee of the President's report to the Congress on the activities of the United Nations and the United States participation therein for the year 1946. Since the end of the year the pace has, however, accelerated considerably.

The United States will not relax its efforts to bring about the earliest possible conclusion of these agreements and the earliest possible adoption of general plans and procedures for the use of the forces. It is not yet possible to predict the date at which any of these agreements will be concluded. Any decision under the Charter for the use of armed forces, even when article 43 agreements have been concluded, will require unanimity among the five permanent members—the United States, China, France, United Kingdom, and the Union of Soviet Socialist Republics.

The second part of this question raises the problem whether pressure can be brought to bear on the



representatives of the various governments in the United Nations "to bring about the handling by the Council of a situation like that presented in Greece". A most acute aspect of the Greek situation has been for some time the disturbed condition prevailing on the northern border of Greece. It was due to the initiative of the United States that the Security Council appointed an investigation commission, which at the present time is completing its on-the-spot inquiry and is scheduled to report to the Security Council in April.

After the commission has made its findings and recommendations, a number of courses of action will be opened to the Security Council. The United States will favor a comprehensive program to be recommended by the Security Council for the purpose of averting repetition of the present disturbances and for eliminating the causes of friction between the four states concerned. Prior to receipt of the commission's report it is, of course, impossible to determine the detailed form that recommendations by the Security Council should take.

Generally, in situations like that presented in Greece, the Security Council has ample authority, if it finds that the condition endangers international peace and security, to recommend to the parties a variety of methods or terms of peaceful settlement appropriate to the particular controversy. In case the Security Council should find that the condition constitutes a threat to the peace, a breach of the peace, or that an act of aggression has occurred, it may decide upon a variety of measures against the aggressor, such as the complete or partial interruption of economic relations and of rail, sea, air, postal, telegraphic, radio, and other means of communication, and the severance of diplomatic relations with such country. However, where emergency economic assistance is needed, such as in the present Greek crisis, the United Nations does not have at this stage of its development either funds or materials at its disposal with which to alleviate the situation.

As Mr. Acheson has pointed out in reply to question 1, even if some organ of the United Nations should decide to recommend assistance to Greece and Turkey, it would have eventually to turn primarily to the United States for funds and supplies and technical assistance. Furthermore, even if the project were not blocked by the objections of cer-

tain members of the United Nations, much time would have been lost, and time is of the essence.

*Question No. 96:* Has there been any understanding, oral or otherwise, with the Greeks that we would furnish other than advisory aid in military matters if it became necessary, that is, that we would actually use troops if circumstances seemed to require it?

*Answer:* There has been no understanding of any nature to this effect.

*Question No. 97:* Have we made any understanding, oral or otherwise, that we would lend economic, military, or other assistance to any Near Eastern country other than Greece or Turkey, such as Palestine, Iraq, Trans-Jordan, or nearby lands?

*Answer:* The United States has no intention to lend economic, military, or other assistance to any Near Eastern country other than Greece or Turkey, except such assistance as might be extended through the Export-Import Bank, or other American governmental agencies, under existing legislation. In this connection it should be mentioned that the Government of the United States is planning to sell to Iran, at the request of the Government of Iran, a limited quantity of military supplies out of American Army surplus equipment for the use of Iran in preserving internal order.

In making the above statement it should be borne in mind, of course, that the United States has certain obligations to all members of the United Nations under the Charter of the United Nations.

*Question No. 98:* In view of the fact that Britain has stated that she could no longer maintain a military force in Greece, has she made similar statements in relation to any other Near Eastern territory?

*Answer:* Great Britain has not stated that she could no longer maintain military forces in Greece. She has stated that she feels it necessary to discontinue assistance to Greece in the form of financial aid and military supplies.

The British Government has made it clear ever since the landing of British forces in Greece that these forces would remain in Greece for only a limited period of time. The British Government has also indicated that it intends to withdraw such

British forces as remain in Greece from that country in the near future. The British Government has not, however, stated that the primary reason for the withdrawal of these troops is of a financial nature.

This Government knows of no British statements to the effect that she can no longer maintain military forces in other Near Eastern territory. Since the termination of the war, however, Great Britain has been steadily reducing the number of her armed forces stationed in the Near East.

*Question No. 99:* What are the costs of British maintenance of military establishments in the Near Eastern countries such as Iraq, Trans-Jordan, and Palestine?

*Answer:* The Department of State has no information regarding the costs of maintenance of British military establishments in the Near East.

*Question No. 100:* In our loan to Turkey, are there not some vital materials that she could pay us with?

*Answer:* This question appears to overlap with questions 23 and 24, because repayment in materials, which can be sold in world markets, would be the equivalent to monetary repayment and would therefore reduce the amount of foreign exchange available to meet Turkey's future requirements in the same way that a monetary payment would reduce the amount of such exchange. As stated in the reply to question 24, it is not believed wise or practical to attempt to determine at this time whether and to what extent repayment may be feasible.

*Question No. 101:* To what extent does the Department of State contemplate informing the United Nations of step-by-step developments in Greece should Congress authorize the President to take the steps he has proposed?

*Answer:* If the Congress approves the legislation requested by the President to provide aid to Greece and Turkey, it is expected that agreements will follow between the Government of the United States and the Governments of Greece and Turkey as to the manner in which such aid should be furnished. The Department of State expects to transmit copies of such agreements to the United Nations as required by paragraph 1 of article 102 of the Charter. The Department would desire,

of course, to keep the United Nations currently informed on the implementation of the United States program pertaining to Greece wherever the responsibilities and functions of the United Nations and its related agencies are concerned.

If at any point in the proceedings of the Security Council which is now dealing with border disturbances in Greece, or in the proceedings of any other United Nations organ or agency it appears desirable or necessary for specific information to be furnished on the proposed aid to Greece and Turkey, the United States representative in such organ or agency will make available the relevant facts. Senator Austin made a full statement on the United States program relating to Greece and Turkey at the meeting of the Security Council on March 28.

It also should be noted that the consideration which the United States is now giving to the provision of aid to Greece and Turkey is a public consideration, with the same information thereby made available alike to the American public and to the world. The proposed legislation requires a report every 90 days which will likewise be a matter of public knowledge.

*Question No. 102:* What bearing upon the situation does the recent report of the FAO have?

*Answer:* The FAO report deals for the most part with longer term aspects of Greek economic reconstruction and recovery. It also contains many helpful recommendations to the Greek Government, particularly in the field of agriculture, which could be put into immediate effect.

Before international financial institutions can make available to Greece the reconstruction funds recommended by the report, there will be a period during which Greece must receive emergency aid. The report recommends that the Greek Government apply to the United States Government as well as to the United Nations and the United Kingdom for assistance for the continuation of essential imports. The Government of the United Kingdom has stated that it cannot furnish material help after March 31, 1947. The Economic and Social Council of the United Nations is an advisory body without funds. Greece's action, therefore, in applying for aid to the United States is in accordance with the advice of the report.

Undoubtedly, the Greek Government will endeavor to put into effect as soon as possible those

portions of the report which are susceptible of immediate application. The report, therefore, will be most helpful to that Government and to any American advisers who may be in Greece in the immediate future.

For the long-term reconstruction in Greece the report recommends that Greece apply to the International Bank for Reconstruction and Development for loans of at least \$100,000,000. As has been previously pointed out, the Greek Government has already notified the bank of its intention to apply for financial assistance on longer term projects. The FAO report will be of help to the Greek Government in preparing its application. The report does not state, nor is it a fact, that such a loan by the International Bank is designed to meet or will meet the present emergency.

The FAO reports also suggest that the Greek Government should request the Economic and Social Council of the United Nations to sponsor a United Nations advisory mission to Greece. Once the present emergency situation has been dealt with, such a mission might be of great value in assisting the Greek Government in a long-term program of reconstruction and development.

*Question No. 103:* In the opinion of the State Department, did the result of the Greek election represent the opinion of the majority of the Greek people? If that is true, is it possible to form a coalition government in Greece composed of both leftists and rightists? If such a government is formed at the instigation of the United States, could it have the support of the Greek people in view of the election?

*Answer:* In the report of the Allied Mission to Observe the Greek Elections of March 31, 1946, it is stated that—

“The Mission found that the proceedings of election day were orderly and satisfactory. The registration lists in large areas contained irregularities but there was no significant amount of illegal voting. Intimidation existed, in some degree, from both extremes and was even on occasion given countenance by members of the gendarmerie but it was not extensive enough to affect seriously the election. The practice of deliberate abstention did not reach large proportions.

“The Mission therefore concluded that notwithstanding the present intensity of political emo-

tions in Greece, conditions were such as to warrant the holding of elections, that the election proceedings were on the whole free and fair, and that the general outcome represented a true and valid verdict of the Greek people.”

The Department of State concurs in this judgment.

With respect to the second and third questions concerning the possibility of forming a coalition government in Greece, the Mission observing the elections found that—

“Practically all of the parties of the Left and three of the minor parties of the Center instructed their followers not to vote in the election. . . . The Mission estimates that the total abstention for party reasons was 280,000, that is 15 percent of the valid registrants.”

From the foregoing it will be seen that in terms of Greek politics, parties of the Left, which the Mission found to represent about 15 percent of the valid registrants, are not represented in the Parliament. They therefore cannot form part of the coalition government within the terms of the constitution. However, the present Greek Government is a coalition government, representing 85 percent of the electorate. It is noted that the Government has announced its intention to hold new elections in the near future.

*Question No. 104:* Did Secretary Byrnes state our Government position and policy in Germany when he was at Stuttgart last September?

*Answer:* In his speech at Stuttgart last September Secretary Byrnes set forth the position and policy of this Government with respect to Germany.

*Question No. 105:* President Truman stated at the joint session of Congress:

“I believe that it must be the policy of the United States to support free peoples who are resisting attempted subjugation by armed minorities or by outside pressures.”

Was there any agreement at Tehran or Yalta which placed Turkey and Greece, or either of them, in the sphere of influence of the United States or Great Britain? Is there anything in either of those agreements which placed China, Korea, Poland, Hungary, or the Balkan States, or any of them, in the Russian sphere of influence, and would the

statement by the President apply to those countries?

*Answer:* The complete texts of the agreements made at Tehran and at Yalta were published in Washington on March 24, 1947. Neither in these documents nor in any others has the United States been a party to the creation of spheres of influence in any part of the world. The answer to the first question and to the first part of the second question is therefore in the negative.

In respect of all countries mentioned the United States has repeatedly made clear its support of the right of these peoples to select their own governments in free elections, free from coercion and pressure.

*Question No. 106:* What is contemplated as to policy in the Middle East in relation to petroleum reserves? In Iran? In Iraq? In Saudi Arabia?

*Answer:* It should be clearly understood that our program for assisting Greece and Turkey is not connected with any oil concessions which American companies may have in the Near or Middle East. Our interest is in the preservation of Greece and Turkey as independent, democratic, economically sound states.

The objectives of the foreign policy of the United States, so far as oil is concerned, are of a universal nature. These objectives, as stated in the Anglo-American petroleum agreement now pending before the Senate, may be briefly summarized as follows: That the interests of producing countries be safeguarded with a view to their economic advancement; that valid concession contracts and lawfully acquired rights be respected; that the acquisition of exploration and development rights be governed by the principle of equal opportunity; and that supplies of petroleum be accessible to the nationals of all countries on a competitive and non-discriminatory basis.

*Question No. 107:* What has been the nature and strength of guerrilla opposition in Greece? Where is its center of support and direction? Have any Russians been captured in the fighting?

*Answer:* Our information indicates that guerrillas in Greece at the present time number about 13,000. Probably the larger portion of their members are not members of the Communist Party. However, virtually all of their leaders are Communists, and instruction in Communist political

doctrines is regularly given to all units of the bands. Each unit, down to that of the company, has a political commissar attached to it.

Our information also indicates that there are two classes of guerrillas in Greece. One is composed of Greek Communist Party members and those who have affiliated themselves with them. This group appears to be controlled by the central authority of the Greek Communist Party (KKE) whose headquarters are in Athens. KKE receives instructions and support from outside Greece. The second class is composed of members of NOF (the "National Liberation Front" of Slav-speaking Greeks living in Greek Macedonia). NOF is in turn an affiliate or subsidiary of SNOF, which is the Yugoslav-Macedonian "front" organization. The headquarters of SNOF are in Skoplje in Southern Yugoslavia, and the NOF bands in Greece are clearly directed and to some extent supplied from that point.

Our information further indicates that NOF and KKE bands are under a single direction so far as their over-all plans of operation are concerned. However, their ultimate objectives are not the same, since NOF aims at separating Greek Macedonia from the rest of Greece and incorporating it into the Yugoslav Federated Macedonian Republic; whereas KKE wishes to maintain the unity of Greece and establish a Communist regime throughout the country. For the present the two factions have submerged their differences and are working closely together.

Little or no evidence has been obtained that the guerrilla bands are composed of any but Greek nationals, although many of these have received training and supplies in neighboring countries. So far as the Department is aware, no Russians have ever been identified as members of the guerrilla bands.

*Question No. 108:* What is the extent of Britain's commitments to Turkey?

*Answer:* Other than certain credits previously extended but not yet used up, Great Britain has no present financial commitments to Turkey. Britain had, however, contemplated the supply to Turkey of substantial quantities of military equipment, and the Turkish Government is understood to have been counting upon this assistance. The

British have now stated that they will be unable to go ahead with this tentative program.

In the political field, Great Britain is a party to the Anglo-French-Turkish treaty of mutual assistance of October 19, 1939. Britain is therefore committed to assist Turkey under certain conditions in case of aggressive war in the Mediterranean region.

*Question No. 109:* How do the Greek and Turkish Governments expect to effect a transformation of their deficit economy to a balanced or surplus economy in any foreseeable future?

*Answer:* One of the main purposes of the Greek program is to provide economic rehabilitation and reconstruction in an amount that will be adequate to serve as a basis on which further economic recovery could take place to correct her present deficit position. The Turkish economy has not been and is not now a deficit economy. It is believed, however, that if Turkey were required to finance the modernization of her military forces out of her own resources that her economy would become a deficit economy.

*Question No. 110:* What percentage of the \$240,000,000 Britain spent in Greece last year found its way into permanent economic rehabilitation? What percentage went into military activities? What percentage went into relief?

*Answer:* It is our understanding that British assistance to Greece last year for purposes such as

currency stabilization and purchase of essential goods and equipment which may be deemed to contribute to the permanent economic rehabilitation of Greece, constitute approximately 42 percent of total British aid in 1946. Relief extended indirectly through the British contribution to UNRRA accounted for about 13 percent of total British aid. Assistance to the Greek armed forces represented roughly 45 percent of the total.

*Question No. 111:* Why is the proposed program of assistance to Greece and Turkey in the self-interest of the United States?

*Answer:* Should Greece or Turkey, as a result of our failure to act, find itself in a position where its independence is compromised or should its government be overthrown against the will of the majority of the people, the resulting situation would have profoundly disturbing psychological and political effects on all countries in that region and many nations outside the region. Confusion and disorder might well spread throughout the entire Middle East.

Thus, stability would be disrupted in vital areas of the world; the foundations of the United Nations would be shaken; and the faith of nations in the ability of democracy to maintain itself in the world would be seriously weakened.

It is obviously in the self-interest of the United States to prevent the development of such a situation.

# Total Assistance Program to Foreign Countries

## LETTER FROM ASSISTANT SECRETARY THORP TO REPRESENTATIVE EATON

DEPARTMENT OF STATE,  
Washington, April 11, 1947.

The Honorable CHARLES A. EATON,  
*Chairman, House Foreign Affairs Committee.*

MY DEAR MR. EATON: Before he left for Geneva, Mr. Clayton asked me to make available to the House Foreign Affairs Committee the information requested by Mr. Vorys at the hearings on aid to Greece and Turkey, held on March 24, 1947. Mr. Vorys asked for the best estimate of "what the total assistance program to other nations in addition to Greece and Turkey" would be for the next year. This information I have outlined below as follows:

Table I: Requests for new funds for the balance of the fiscal year 1947 and for the fiscal year 1948 for the relief of foreign countries.

Table II: Estimated expenditures on behalf of foreign countries in the fiscal year 1948 out of funds previously appropriated and presently requested.

I hope that this information will answer Mr. Vorys' inquiry.

Sincerely yours,

WILLARD L. THORP,  
*Assistant Secretary.*

TABLE I.—*Appropriations requested for assistance to foreign countries*

[Millions of dollars]

Category of aid	Anticipated supplemental, fiscal year, 1947	Recommended, fiscal year, 1948	Total
Post-UNRRA aid (Austria, China, Greece, Hungary, Italy, Poland, Trieste)	350	.....	350
Special aid to Greece and Turkey	400	.....	400
Relief to occupied areas (Germany, Japan, Korea)	300	725	1,025
Philippine-aid program	.....	144	144
International Refugee Organization	.....	176	176
Total	1,050	945	1,995

<sup>1</sup> Includes a small amount for health, trade, and civil aviation organizations.

TABLE II.—*Estimated expenditures on behalf of foreign countries*

[Millions of dollars]

Category of aid	Estimated expenditures, fiscal 1948
Post-UNRRA aid	250
Special aid to Greece and Turkey	300
Relief of occupied areas	645
Wind-up of UNRRA program	305
United Kingdom Treasury loan	1,200
Export-Import Bank loans	730
Philippine-aid program	137
International Refugee Organization	76
Total	3,643

**Urgency of Action on Proposed Legislation**

**MESSAGE FROM THE SECRETARY OF STATE TO THE PRESIDENT  
PRO TEMPORE OF THE SENATE<sup>1</sup>**

DEAR SENATOR VANDENBERG:

I understand some question has arisen as to my participation in the Greek-Turkish aid program.

As you know, prior to my departure for Moscow, I participated in the formulation of this program and in the decision to go forward with it. When I reached Paris on March 6, the President telegraphed the proposed text of his message of March 12 and I informed the Department that I fully concurred.

I personally, and for the State Department, attach the highest order of urgency to immediate

passage of the Greek-Turkish aid legislation. In my opinion the program proposed is indispensable and I am in complete accord with the actions taken by Mr. Acheson for the Department and by the Foreign Relations Committee of the Senate, in urging the Congress to pass this legislation.

Faithfully yours,

GEORGE C. MARSHALL

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<sup>1</sup> Contained in telegram from the Secretary of State to Acting Secretary Acheson dated at Moscow, Apr. 19, 1947.



# Report of the American Economic Mission to Greece<sup>1</sup>

## PREFACE

The American Economic Mission was formed and sent to Greece by the Department of State at the request of the Greek Government. Its function was to examine the economic conditions in Greece and determine what outside assistance the country would need in attaining recovery and reconstruction and how the Greek Government could make the most effective use of the country's own resources for these purposes.

The Mission was in Greece from January 18 to March 22, 1947, and during that time visited almost every section of the country. Farmers, Government officials, factory workers, businessmen, economists, engineers, and hundreds of other people and organizations were consulted by the Mission in its travels and investigations. While time did not permit an exhaustive study of any one phase of the economy, almost every phase was examined at least to some extent.

The Mission consisted of the following people:

Ambassador Paul A. Porter, *Chief*  
Leslie L. Rood, Executive Secretary  
Stephen Ailes, Counsel  
Dillon Glendinning, Finance  
William M. Rountree, Economics  
Francis F. Lincoln, "  
John D. Fitch, Engineering  
Print Hudson, Agriculture  
Dorothy I. Page, Secretary  
Ellen F. Broom, "  
Mary Nicholson, "

<sup>1</sup>The Department of State released to the press on Apr. 30, 1947, the summary and recommendations of the American Economic Mission to Greece.

The complete report consists of a summary and recommendations; chapters on public finance, currency, banking and credit, international commercial and financial relations, Government administration, price, rent and wage controls, reconstruction and development, industry and mines, agriculture, food and fishing, shipping, and foreign aid since liberation; and appendices.

## SUMMARY

The people of Greece have an opportunity to move forward to an era of reconstruction and internal peace. Alternatively if the present policies of drift and expediency are continued, they will result in economic disaster to all her people and perhaps forfeit for a generation Greece's chance to rebuild and to establish a stable economy. The American Economic Mission to Greece has attempted to discover what foreign aid is needed and what internal economic and administrative measures must be employed if Greece is to move forward.

We have examined problems of governmental organization, budget expenditures and revenues, export potentialities and import requirements, monetary and credit policies, reconstruction and development, and many other related matters. Our analysis of the economic aspects has not been easy; they are closely related to and substantially affected by political, military, and psychological considerations. From an intensive study of Greece's current problems and a survey of her future potentialities, we have reached conclusions as to how the economy can be placed on a reasonably self-sustaining basis.

First, however, it seems appropriate to consider certain broad factors which have operated as preventatives to economic progress since liberation. There is the inescapable conclusion that in spite of \$700 million in foreign assistance, Greece during the past two years has merely managed to survive. There are exceptions, of course, but, in general, economic conditions have improved but little over those prevailing at the time when the Nazi forces were expelled from the country.

Bitter internal strife and the rapid rate of turnover of the Governments have created a climate of insecurity and instability that has prevented any rational planning. Since the war, there have been

seven changes in the Greek Government. No government has been able to develop an effective economic policy and to inaugurate necessary controls. Those controls which have been attempted have failed as a result of various causes, among which is the lack of effective Government machinery for impartial administration. Partly because of these factors, private capital, instead of devoting itself to reconstruction and development, has been preoccupied with schemes to hedge its risks outside the Greek economy.

The security situation has had a direct effect upon the economy. Not only has this discouraged the desirable repatriation from abroad of sizable amounts of private Greek capital, but the civil strife of December 1944 stimulated social and political tensions of such bitterness and intensity that the masses of the Greek people have from that time lived in a perpetual state of fear. The succeeding Governments have not been successful in ameliorating this situation and hence there is lacking the national unity which is so clearly a prerequisite to a program of economic reform and recovery. Operations of organized bands of guerrillas and fear of invasion from the North have resulted in the maintenance of military and police forces numbering in the neighborhood of 150,000. This has been a tremendous drain upon the resources of the country and the primary cause of the budget deficit, even though the foreign exchange requirements for military expenditures have thus far been met by the British. Greece has such limited resources that she cannot maintain alone armed forces of their present size.

The psychology of certain elements in Greece has operated as a serious impediment to recovery. There has been a sense of helplessness, and in some quarters a feeling that because Greece suffered so much during the war, it is now entitled to the care of its richer Allies. There is the widely held view that external factors in Greek problems are so large that individual efforts are futile. The lack of confidence among Government officials and the people in the ability of Greece to save itself financially and the belief that it must depend on aid from abroad have contributed to an appalling inertia. In this unhealthy psychological state, Greece simply has not been able to apply to its own problems the determination and resolute ac-

tion essential if she is to meet the critical issues she now faces.

There exists a wide disparity in the living standards and income throughout all Greece. Profiteers—that is traders, speculators, and black marketeers—thrive in wealth and luxury, a problem with which no government has effectively dealt. At the same time, the masses of people live on a bare subsistence. The profiteers are relatively few in number and their aggregate wealth, if divided up among the population, would effect little improvement of general living conditions; nevertheless, their luxurious manner of living in the midst of poverty serves to embitter the masses and to underline the hardships of the poor. There is a vast amount of concealed unemployment with some 20 percent of the population employed by or partially dependent upon the state. The substandard levels of existence of the civil servants, indigents, pensioners, and other dependents is an important contributory factor to the political and social tension which characterizes Greece today. Since liberation no effective measures have been taken to provide useful work for the employables among this large group of the population.

Foreign observers in Greece generally agree that the past two years have failed to register a progress toward stable recovery commensurate with the foreign aid given. The time bought by UNRRA relief, by the free sale of gold, and by other devices of expediency has not been utilized. The various Greek Governments, lacking in strength, have been able to accomplish little. UNRRA, zealous of its mandate to avoid intrusion in internal affairs, was not always successful in prevailing upon uncertain and hesitating officials to program more effectively the distribution of relief and reconstruction supplies. The British Economic Mission, operating under the terms of the London agreement of January 1946, was similarly unsuccessful. The Currency Committee, operating under the authority of Greek law, has performed a useful function during the past year, but there is a basis for the conclusion that its earlier policies were of such a conservative and rigid character that reconstruction and development were actually inhibited.

Thus, two and one half years after the liberation, Greece finds herself on dead center in spite of substantial foreign aid and competent foreign

advice. The Mission has sought to analyze the causes of the failure of recovery processes to get under way so that the mistakes of the past can, if possible, be avoided, and so that the assistance forthcoming from the United States will not simply be used to compound previous errors.

Internal pacification and resolution of the border disputes are the two most important needs in Greek recovery. It is obvious that the existing state of wide-spread violence affords an unsuitable climate for economic development.

It is hoped that the United Nations Commission which was investigating the troubles on Greece's northern borders while this Mission was studying the Greek economy will be able to recommend means of eliminating at least a part of this problem. With this settlement should also come an effort on the part of those opposing political elements in Greece interested in the maintenance of Greek independence to compose their differences and work for the common benefit of the country. Until the internal political tensions are relieved, Greece's economy cannot revive.

The Mission has considered means of meeting the principal economic difficulties of the country. This involves placing on a self-sustaining basis an economy which has always been weak. Greece has a total area of approximately 50,000 square miles. Of this, less than 20 percent is arable. The standard of living for the vast majority of its 7,500,000 population has always been dangerously low even though there has been foreign borrowing. National income, measured by Western standards, has always been low—one of the lowest in all Europe. Industrial development was only beginning to become a significant factor in the late 1930's, and at its peak bore to the economy only a fraction of the importance of the country's primitive agriculture.

Greece today faces a desperate economic crisis—one that she cannot meet alone. Even considering UNRRA goods undistributed or left in the pipeline and goods to be provided under the post-UNRRA relief program, there will be wide-spread suffering unless substantial foreign assistance is forthcoming. The dimensions of this current crisis can best be shown by the following facts:

(1) The tentative estimated Greek budget, including the expanded military establishment, indicates a deficit of \$290 million for 1947, or about

three times the amount of currency now in circulation;

(2) reserves of unrestricted foreign exchange by the end of 1946 were too meager to insure import of Greece's minimum needs, necessitating a severe restriction of basic imports in the absence of immediate outside assistance;

(3) pressures on the retail price level are severe and further marked increases are indicated unless there are immediate corrective measures;

(4) wage demands are accumulating as a result of the foregoing factors, adding the threat of wage inflation to the prospect of budget inflation.

In short, it appears that in the absence of substantial foreign assistance and the adoption by the Greek Government of strong control measures, another round of extreme inflation with all of its disastrous economic and political consequences is a certainty.

It is, therefore, apparent that there exists a need for immediate steps if inflation is to be prevented. Recovery and reconstruction in Greece cannot be based upon the present unstable economic foundations. While the Mission's earlier inquiries were directed towards the ascertainment of minimum relief requirements during the post-UNRRA period and in addition the development of measures whereby the Greek economy could make the maximum use of her own resources, the Mission has more recently considered the problem on the assumption that the United States Government would contribute very substantial amounts for the restoration of the economy of Greece, and that American technicians would advise the Greek Government on economic affairs. In this way it is hoped that the first steps can be taken whereby the economy of Greece could be restored to a sound level in order that the Greek state might survive as a free and independent entity devoted to democratic principles.

For the period from April 1, 1947, to July 1, 1948, it is estimated that a minimum of \$300 million outside assistance in addition to UNRRA, post-UNRRA relief, and surplus-property imports will be required. This estimate represents in the judgment of the Mission the minimum aid which should be provided. When it is considered that during 1946 the total of UNRRA and British military subsidies was over \$300 million, the total amount estimated may be too conservative. How-

ever, the Mission has operated on the assumption that the Greek Government with the assurance of this amount of support will adopt and enforce economic policies which heretofore either have not been put into effect or having been proclaimed were evaded. In making wise use of this outside aid and in the development and implementation of sound economic policies, American personnel will be needed. An American recovery mission should go to Greece.

The uncertain political and economic conditions have caused producing groups in Greece to lack faith in the strength and stability of their Government and of their economy. The devastation wrought by the war, the civil strife of December 1944, and three successive devaluations of the drachma have obviously further destroyed confidence. Therefore, if the Government of the

United States is going to assure the future of Greece, a continuing program is required. This program should not be limited in concept to a single year. It is emphasized that this program of recovery and restoration should envisage a period of about five years. It is hoped that direct American financial assistance will not be necessary after June 30, 1948, but the program should be continued in any case whether under American auspices or under the United Nations. It is impossible to forecast whether at that time the financial burden can be turned over to an international agency. The mere declaration of such intentions would do much to revive confidence and make easier the adoption of stringent measures that will be necessary to achieve the immediate stability needed for reconstruction and development.

## RECOMMENDATIONS

### I

#### Amount of Aid

*Greece will need foreign financial aid during the next five years because of the destruction of war and her current circumstances. It is recommended that the United States extend immediate financial aid to Greece sufficient to meet her requirements for relief, reconstruction, and military purposes until June 30, 1948*

The Greek economy will require foreign financial assistance until the burden of the military and public security can be substantially reduced and probably until essential reconstruction has been carried out; the latter may take five years. The amount of aid required after the Greek fiscal year 1947-48 depends, one, on the extent to which foreign financial aid may be devoted to reconstruction at an early date as opposed to military expenditures and, two, on the extent to which the Greek Government marshals its own resources and makes effective use of outside aid.

For 1947-48 the largest single item of expense is the military. The current burden of the military, estimated at about \$180 million for the Greek fiscal year 1947-48, would have been far beyond the capacity of the pre-war Greek economy. With a pre-war national income estimated liberally at about \$600 million, or about \$80 per person, even

the pre-war military expenditure of \$40 million exerted pressure on the relatively low standard of living. With a 1946 national income considerably less than pre-war in real terms, the cost of the military as currently estimated by the Greek Government is far beyond the capacity of the Greek economy.

The second item of importance is reconstruction. The estimated cost of a five-year program of selected reconstruction and development projects is about \$335 million. This program was determined on the basis of minimum requirements and does not purport to indicate the costs of completed reconstruction of public and private property in Greece.

Cost in millions of dollars

	Foreign	Local	Total
First year . . . . .	34	42	76
Second year . . . . .	35	40	75
Third year . . . . .	33	39	72
Fourth year . . . . .	23	32	55
Fifth year . . . . .	23	34	57
Totals . . . . .	148	187	335

The sum stated in the table for the first year will have to be supplemented by very large amounts for commitments to be made during this year.

After the early months of engineering planning have been completed these additional moneys will have to be committed for reconstruction equipment and material and in setting up funds for the completion of projects already begun.

The pre-war economy of Greece could probably have financed internally the local costs of this program, but would undoubtedly have required foreign credits to cover the importation of equipment. At present, it is clear that for the first year (and possibly to a great extent for the second year) both the internal and external costs of reconstruction will have to be borne from abroad.

If United States aid, sufficient to meet internal and external costs of the military and of the reconstruction program through June 30, 1948, is forthcoming, two additional objectives of major and immediate importance can be achieved.

First, since revenues of the Greek Government together with other assistance already forthcoming are adequate to meet non-military and non-reconstruction expenses, the budget will be in balance. With no increase in the note issue in prospect from a budget deficit, faith in the drachma should be substantially restored, which in turn should promote an increase in business activity, a decrease in hoarding, a tendency for prices to decline, and a reduction in wage demands. The balancing of the budget will go far to meet Greece's current economic crisis.

Second, under this program, Greece will be provided with civilian goods sufficient in quantity not only to meet minimum civilian requirements but also to meet the needs of a Greek people engaged in a military and reconstruction effort. In fact, if further serious inflation is to be avoided, it will be necessary to offset internal expenditures for the military and reconstruction with an adequate volume of consumer goods. This will be made possible because all of the American aid remaining after the outlay for military supplies and capital equipment for reconstruction will be used either for the foreign purchase of consumer goods or for the purchase of industrial and agricultural supplies which will in turn augment Greek production of consumer goods.

Under the program here described the Greek budget and balance of payments for the Greek fiscal year beginning April 1, 1947, would be roughly as follows:

BUDGET<sup>1</sup>

	(Millions of dollars)
<i>Expenditures</i>	
1. Military and Public Security . . . . .	181
2. Reconstruction . . . . .	76
3. Purchase of Government Distributed Supplies . . . . .	80
4. Other . . . . .	217
Total . . . . .	554
<i>Receipts</i>	
1. Ordinary Taxes . . . . .	150
2. Miscellaneous Receipts . . . . .	7
3. Sale of UNRRA and State Distributed Supplies . . . . .	115
4. Sale of Allied Surplus Property . . . . .	30
5. Export-Import Bank Credit for Reconstruction . . . . .	12
6. Direct U.S. Aid <sup>2</sup>	
a. Post-UNRRA Relief Bill . . . . .	50
b. Greek-Turkey Aid Bill . . . . .	190
Total . . . . .	554

## BALANCE OF PAYMENTS

<i>Receipts</i>	
1. Exports . . . . .	120
2. Net Invisibles . . . . .	35
3. Allied Surplus Property Credits . . . . .	35
4. Export-Import Bank Credit . . . . .	12
5. UNRRA . . . . .	12
6. Direct U.S. Aid	
a. Post-UNRRA Relief Bill . . . . .	50
b. Greek-Turkey Aid Bill . . . . .	190
Total . . . . .	454
<i>Payments</i>	
1. Imports for Civilian Economy . . . . .	320
2. Reconstruction Equipment . . . . .	34
3. Supplies for Military . . . . .	100
Total . . . . .	454

Due to the uncertainties regarding the future of Greek military expenditures, it is impracticable to predict beyond the coming year the extent of for-

<sup>1</sup>The dollar equivalents for budget categories shown here are only approximate, using a conversion rate of 8,000 drachma per dollar for internal expenditures.

<sup>2</sup>The proposed total aid to Greece is tentatively \$350 million (\$300 million for reconstruction and military aid under the Greek-Turkish Aid Bill and \$50 million for relief under the Post-UNRRA Bill). The above figure of \$240 million is for the twelve months' period Apr. 1, 1947, to Apr. 1, 1948. At this rate another \$60 million would be expended from Apr. 1, 1948, to July 1, 1948. After the early months of engineering planning and construction organization the remainder of the funds will be used in making commitments for reconstruction equipment and material and in completing projects already begun.

aign aid which Greece will require. It is clear, however, that the amount of reconstruction and military aid required can be substantially reduced if the Greek Government is prepared to mobilize the country's own resources by taking measures

such as those set forth in part II of these recommendations. It is also clear that if these measures are to be taken, advice and aid from an American mission along the lines stated in part III will be necessary.

## II

### Measures To Be Taken by Greece

*The extending of United States aid to Greece should be accompanied by effective measures by the Greek Government for the utilization of Greek resources for recovery of the country*

#### A. MEASURES TO INCREASE REVENUES AND REDUCE EXPENDITURES

1. *Revenues.* Ordinary revenues for the Greek fiscal year 1947-48 are estimated in real terms at 65 percent of pre-war. The Greek Government must take affirmative steps to increase its own revenues, including the following:

(a) A study should be instituted as a long-term basis for: (1) eliminating unproductive taxes and simplifying the tax structure; (2) reallocating the sources of revenue between the national and local governments.

(b) Income tax enforcement should be improved by (1) compulsory registration of all commercial enterprises and maintenance by them of prescribed accounts for income tax purposes; (2) substantial increase in penalties now imposed for tax violations, including imprisonment for falsification of income tax returns.

(c) There should be a revision upwards on an average of at least 50 percent of present schedules of income tax assessments on professional occupations and commercial enterprises which are based on estimated ability to pay.

(d) In considering customs and excise tax policies, measures should be taken to prevent importers from making or retaining excessive profits arising from the present discrepancy between internal and external prices.

(e) The present restrictive community taxes on the transportation of goods should be abolished as soon as alternative sources of revenue are found.

2. *Expenditures.* The Greek Government expenditures for 1947-48, called for in the tentative budget estimates, are estimated in real terms at 200 percent of pre-war. While there is unques-

tionably some exaggeration in the estimates and considerable wastage of Government funds through inefficient administration, sizable reductions in expenditures can only be achieved by (1) a reduction of military expenditures and (2) a sufficient recovery of the economy to permit the Government to terminate distribution of supplies to the general public at a loss and to terminate subsidization of public utilities. As immediate measures designed to reduce expenditures can conserve the use of funds, however, the following steps would achieve results of some significance:

(a) The Government audit and accounting system should be revised, particularly in the Ministry of Supply which is handling state-distributed foodstuffs and other essentials, including UNRRA goods.

(b) The budget should be prepared and announced before the start of each fiscal year and should constitute a real control of Government expenditures. The control of the Minister of Finance over the use of funds appropriated to other ministries must be strengthened.

(c) All "special funds" should be abolished and brought within the regular budget.

(d) The pension and indigent lists should be reviewed, and reduced, and no new names should be added without the approval of the local welfare board.

(e) Demands for wage increases of civil servants and other persons whose salaries are directly or indirectly paid by the Government should be reviewed by a wage board which should be established, and commitments for increased wages should not be made without the approval of the wage board.

#### B. MEASURES TO AUGMENT AND CONSERVE FOREIGN EXCHANGE

Greece's exports have been small since liberation. Loss of Central European markets, unset-

bled internal political and economic conditions, overvaluation of the drachma, and other factors have tended to restrict exports. On the other hand considerable amounts of foreign exchange have been wasted during the past year through importation of luxury goods, through Government sale of gold, and through black-market currency operations. A long-range solution of Greece's foreign-exchange problem will only be achieved by expansion of Greece's export trade and development of a domestic supply for some of her present import needs. The situation faced now, however, can be ameliorated by some immediate measures.

1. The exchange rate and the policy on the Government sale and purchase of gold should be reconsidered after consultation with the International Monetary Fund.

2. Efforts should be made to build new markets and to restore the pre-war European market for Greek exports; as to some commodities, notably European grades of tobacco, temporary barter arrangements should be worked out with countries whose trade does not flow through ordinary channels.

3. The embargo on export of olive oil should be lifted; exports should be licensed under a program which provides adequate protection on the local price, which brings the foreign exchange received from the sale of oil under the control of the Government, and which returns to the Government through an export tax a substantial share of the difference between the local and foreign prices.

4. The national economy's benefits from Greek shipping should be increased by requiring that a considerable percentage of the profits of each ship be brought into the country in foreign exchange.

5. The tourist trade should be developed by the Government.

6. Incoming and outgoing mail should be subjected to financial censorship so that existing prohibitions against import and export of foreign exchange can be enforced.

7. Imports should be strictly controlled. Importation of luxury goods should be prohibited and permits and foreign exchange granted only for goods which will be of maximum benefit to the economy. Import needs on an annual basis should be determined and detailed plans for periods of at least six months should be prepared. The issuance of licenses should be scheduled accordingly.

## C. MEASURES DESIGNED TO ACHIEVE GOVERNMENT ADMINISTRATIVE REFORM

The effectiveness of the Greek Government is considerably reduced by an overexpanded, underpaid, and demoralized civil service, and by a lack of organization among and within the various ministries. These are faults which can only be remedied by long continued efforts. Such efforts should be started now.

1. The present civil service should be reduced in numbers, its pay scale should be increased, and improvement of the caliber of its personnel should be accomplished through training and selection. The United States Government should immediately accept the recent invitation of the Greek Government to send a group of specialists to study this problem and make recommendations.

2. The reduction in the number of ministries and the rearrangement of functions recently recommended by the Committee on Reorganization of Ministries of the Greek Government should be immediately put into effect. Within the Ministries there should be a substantial increase in the amount of delegation of authority; detailed duties of ministers such as conferences with individual members of the public should be greatly reduced.

## D. MEASURES DESIGNED TO BENEFIT THE ECONOMY AS A WHOLE

1. *Direct controls over the economy.* American aid, which will mean a balanced budget, an increase in the supply of goods, and some alleviation of the current inflation psychosis, is the only method of combating inflation in Greece which has any chance of success. Positive controls alone could not begin to meet the problem, given the current condition of Greece's civil service, the public attitude toward "police" controls engendered by four years of occupation, and more important still, the very size of the inflation problem in Greece. Nevertheless, for psychological reasons, and because some benefit will undoubtedly result, measures already undertaken in Greece to control price, rent, and wage increases should be continued and some form of anti-hoarding measure should be added.

- (a) The Government should attempt to develop a wage policy and some machinery for settling management-labor disputes. It is realized that



previous efforts of the Greek Government to regulate wages have been completely unsuccessful, that present legal wage rates are dwarfed by wages actually paid, and that under current conditions efforts to institute direct wage controls would probably be unavailing.

(b) The present "price controls" should be continued and improved in spite of their somewhat limited scope and value. The "cotton control" has apparently had a beneficial effect on textile prices, and retail margin limitations and fixed retail food prices have kept retailers from gouging the public. However, an elaborate system of price control with wide coverage has never been attempted in Greece and probably could not be put into effect successfully.

(c) Rent control should be continued and extended to protect new tenants. Some investigation is required, however, to determine the desirability of relaxations where inflationary developments and devaluation of the drachma have caused controls to become overly burdensome on property owners.

(d) An anti-hoarding campaign should be undertaken by the Government. Accompanied by the proper publicity, such a program should take the form of an inventory control program under which the Government confiscates inventories which are clearly in excess of business needs after reasonable opportunities to unload have been given.

2. *Reconstruction and development of public works.* Greece faces a reconstruction problem of immense proportions. Road and railroad bridges, railroad equipment, water systems, ports, and power stations were destroyed during the war. The Corinth Canal, of major importance in Greece's economic life, was blocked by huge landslides set off by German dynamite. Lack of maintenance has seriously reduced the usefulness of remaining roads and of agriculture drainage projects. Reconstruction of many of these facilities is a prerequisite to the restoration of the Greek economy. This reconstruction, however, must be accomplished pursuant to a master plan which makes due allowance for funds available and the absorptive capacity of the Greek economy.

(a) A planning board composed of economists and engineers and charged with the responsibility

of working out a program for reconstruction of public works and public utilities should be established immediately by the Government. A reconstruction program should be prepared which selects for immediate attention the reconstruction of those facilities which will contribute most to the rapid restoration of the general economy. Where development projects will contribute more, they should be given preference. To illustrate the kind of projects which should receive top priority, the following list is offered:

(1) Permanent reconstruction of important sections of roads in all parts of the country selected on the basis of traffic, population, and availability of other transportation.

(2) Restoration of bridges and tunnels on the Athens-Salonika, Salonika-Chevgheli, and Plati-Edhessa railroad lines.

(3) Supply of motive power and rolling stock for the present needs of the railroads.

(4) Necessary replacement of rails and ties on restored railroad lines.

(5) Restoration of essential facilities at the ports of Piraeus, Salonika, and Volos in the order named.

(6) Restoration of the Corinth Canal, including high-level bridge or bridges for road and railroad service.

(7) Restoration of flood control, drainage, and irrigation works in the Salonika, Serres, and Drama plains.

(b) Efforts should be made to induce foreign capital to undertake on a concession basis or otherwise projects which are self-liquidating in character.

3. *Industry.* Greek industry, always a relatively small factor in the economy of the country, was substantially damaged by war and subsequent internal strife. Progress toward recovery has been slow due to insecurity, lack of credit, shortage of motive power, inability to obtain spare parts for foreign machinery, inadequacy of transportation, and high costs of production. Several of these deterrents would be corrected if the recommendations of the Mission were carried out. But recovery only to the pre-war level of industrial activity would be inadequate if Greece is to become reasonably self-sufficient; limitations upon agri-

cultural development make industrial expansion essential.

(a) The present high costs of production should be reduced by (1) correction of the abuses of Government-granted monopolies and subsidies; (2) abandonment of Government policies necessitating retention of unnecessary employees, and (3) implementation of other recommendations contained herein affecting the cost of production.

(b) Preference in granting import licenses should be given (1) to raw materials over finished goods which economically can be produced in the country, and (2) to raw materials for the production of goods to be sold at low prices.

(c) Credit to industries for current operations and approved new industries should be granted where the need is clearly demonstrated; all industries granted credit should be closely observed to insure proper use of the credit.

(d) An industrial development program utilizing local resources and making Greece viable should be formulated. Mining, lignite extraction, metallurgical and agricultural processing industries particularly should be explored. Plants and equipment which may be acquired as war reparations from Germany or Italy should be used to the maximum.

4. *Agriculture and fishing.* Agriculture in Greece is nearer to the pre-war level of production than any other segment of the Greek economy. Much of the destroyed draft power has already been restored, and the small scale and even primitive nature of Greek agriculture have enabled rehabilitation by the exertion of individual effort. Fishing has been handicapped by lack of replacements for war-destroyed boats as well as by its traditional methods.

A distinguished group in 1946 studied the agricultural problems of Greece for the Food and Agriculture Organization of the United Nations. Their report advocates as ways of raising the contribution of agriculture to the economy of the country (1) the greater utilization of water through irrigation and drainage, (2) the shift of land from extensive to intensive crops, and (3) the educating of the farmers in modern methods of production.

Apart from those long-range measures, which can be initiated, there are immediate steps which can be taken for increased production and improved use of the resulting products.

(a) A Government program for the collection of the 1947 grain crop should be initiated to insure proper use of bread grains; imported grains should not be distributed in areas of surplus production until after the exhaustion of the indigenous supplies.

(b) Facilities should be developed for production within Greece of all the country's seed requirements.

(c) Credit at low interest rates and in adequate amounts should be made available to farmers and agricultural processors; this should be done through cooperatives where feasible.

(d) Export of agricultural commodities should be developed through standardization of quality and grading of products, improvement in processing and packing, and encouragement of the growing of citrus fruits, table grapes, early vegetables, and other products which can be shipped to European ports in refrigerator ships.

(e) The fishing fleet should be increased to permit a full exploitation of the resources available.

### III

#### Administration of the Program

*The Greek Government will need the assistance of experienced American administrators, economists, and technicians to insure that American aid and Greece's own resources are used effectively in creating a stable, self-sustaining economy. An American recovery mission should be sent to Greece*

The major problem is the establishment of a mission is the extent of its powers. The Mission

must be able to assure efficient use of American aid, but it must also conform to over-all purposes of United States policy by operating in connection with Greek problems in a manner acceptable to the Greek Government.

One means of meeting this problem would be to have in addition to an advisory mission representing the United States a number of American and other foreign technicians employed as individuals

by the Greek Government in key Government posts. The advisory mission would aid in the formulation of policy and advise on the administration of these policies, while the individuals employed by the Greek Government, such as the foreign members of the Currency Committee and the Foreign Trade Administrator, would participate in day-to-day operations.

#### A. FOREIGN EXECUTIVES IN THE GREEK GOVERNMENT

Under this plan the Greek Government would employ a number of expert foreigners as individuals in key executive positions. These men would be selected with the advice of the Mission on the basis of ability and character. They should assist in assuring the effective execution of the economic policies in the day-to-day operations of the Government. Conditions in Greece are such that it would be difficult for the Greek personnel, unless backed by foreign personnel in the Greek Government, to carry out many of the measures adopted, since they would at times be placed under almost intolerable local pressures. The Greek Government's employment of foreign technicians on the Currency Committee provides a successful precedent.

1. *The Currency Committee.* The Currency Committee should be continued with its present composition of the Ministers of Coordination and Finance, the Governor of the Bank of Greece, one American expert, and one British expert. Its functions should be modified to fit in with those of the American Recovery Mission and its staff enlarged as necessary. In addition to its present power to control the expansion of the note issue, the Committee should be authorized to scrutinize all expenditures and to disapprove those not in conformity with the budget. It should also be empowered to prescribe such regulations for all banks and lending institutions as it may deem necessary to control speculation and to direct investment.

2. *The Foreign Trade Administration.* A Foreign Trade Administration headed by a foreign technician in the employ of the Greek Government should be established. The planning and administration of the program of imports and exports, including licensing, should be centralized under the administrator. In addition, he would also head the state organization responsible for

distribution within the country of all Government supplies.

#### B. THE AMERICAN RECOVERY MISSION

The Americans to whom this task is entrusted must be men of character, ability, and tact, since to an extent the success of their efforts will depend upon the kind of relationship they have with one another, with Greek officials, and with the Greek public.

Initially the Mission should be of modest size consisting of no more than 50 people headed by a single chief. Additions should be made only as the need is demonstrated. A top staff of specialists experienced in practical economics, finance, government administration, engineering, industry, and agriculture would be required. They should be assisted by accountants, research assistants, and Greek-speaking observers; this is particularly necessary in Greece because of the absence of statistics and information upon which policies can be formulated. Clerical and translating personnel will also be required.

It is important that the Mission not be large. The caliber of the personnel is an all-important factor and the number of highly qualified persons available for prolonged service in Greece is limited. The Greek public, whatever its initial reaction, would probably not take kindly to an overly large group of Americans, and particularly so if competence had been sacrificed to numbers.

It is recognized that a small Mission cannot itself accomplish all the planning, advising, and observation called for in this program. The Mission should be assisted by groups of experts sent to Greece for limited periods for specific jobs as temporary members of the Mission. For example, studies must be made of the civil service and tax structure in preparation for the reorganization of each. Results from augmenting the staff for special detailed studies will be much more satisfactory than would be results from an equivalent number of men on the permanent staff of the Mission. Such groups of experts will be able to confine their investigations to narrow fields, leaving the implementation of their plans to the Mission's permanent staff. The Mission will have other impartial foreign assistance. As previously noted, foreign technicians will be employed by the Greek Government in key posts. Foreign engineering and con-

tracting firms will be brought to Greece to undertake the extensive reconstruction which is planned. Assistance of specialists will also be required to instruct the Greek civil service in modern administrative techniques.

The American Recovery Mission should be able through various ways to make sure that the most effective use is being made of American aid. It should have the power as a last resort to stop or curtail financial aid, not only in general, but in the case of any particular project or activity, should it become apparent that the conditions on which the aid was granted were not being lived up to. In addition, it should be required to publish quarterly reports on the progress of Greek recovery for the benefit of the people and the Government of the United States, of the people and Government of Greece, and of the United Nations and its specialized agencies, and interim reports should be made whenever the Mission deems a problem's urgency to necessitate immediate explanation of the facts.

Supervision of the use of the funds extended by the United States to Greece should be delegated to the Mission, and disbursements should be made by it in accordance with legislation by Congress, with policy established by the President or the Secretary of State and with the agreement on this matter between the United States Government and the Greek Government.

The obvious need of the Greek Government for American assistance in making the most effective use of funds furnished by the United States Government logically leads to the necessity of American assistance in all matters relating to Greek Government finance since even if funds from the United States and Greece were not commingled, as they inevitably will be in certain instances, the results of ineffective use of Greek funds per se would be as detrimental to the American program as if United States funds were themselves not properly used. The Mission should participate in the development of revenue and expenditure policies; its approval of the budget should be required before it became effective; and it should aid in assuring conformance to the budget. It should aid in policy matters but should not be expected to scrutinize every proposed expenditure by the Greek Government. This latter responsibility should be assumed by the Currency Committee.

In addition to assuring the most effective use of American financial aid the Mission should assist the Greeks in the planning and execution of reconstruction projects, improvement of public administration, control of imports and the development of exports, control of foreign exchange, promotion of industrial and agricultural recovery, control of wages and prices, and programming the sale or other disposition of Government-purchased supplies. Members of the Mission should sit with the Reconstruction Board and the proposed industrial development agency, and their consent should be obtained before projects are initiated.

In order to be effective the Mission should concern itself with all expenditures made outside of Greece with American funds and, necessarily, with Greek funds. Purchases abroad should be made in four ways; by the United States Government, by the Greek Government, by American contracting firms, and by private Greek importers. Civilian purchases by the Greek Government in the United States should in general be made through the procurement facilities of the United States Treasury Department, or in case of foodstuffs, of the Department of Agriculture, and purchases in the United States by importing and engineering firms should all be reviewed by the office in the Department of State supervising this program.

The Mission should assist in the planning and programming of imports. The import program prepared under the direction of the Foreign Trade Administrator would become effective only after approval by the Mission; individual applications for import licenses will be scrutinized by an import licensing committee including representatives of the Foreign Trade Administrator, and on which a representative of the Mission will sit.

The Mission should be the sole United States agency in Greece supervising the various programs of American aid. Civilian supplies, reconstruction and military aid under the Greek program, relief aid under the post-UNRRA program, surplus-property, and Export-Import Bank credits should all be subject to the Mission's guidance. The Mission should also give advice with regard to the control of other imports by the Greek Government and private individuals.

## C. RELATIONS OF THE MISSION

The relations of the Mission with the United States Government in Washington should be through a single official in the Department of State. This official with a suitable staff should transmit policy to the Mission, review all expenditures made in the United States, coordinate all United States Government authorities extending aid to Greece, and give general assistance to the Mission in the United States. While basic Mission policy would, of course, be made in Washington, the Mission should be an autonomous operating unit with as broad powers as are consistent with Congressional legislation. It should not be a mere field agent for a main office in Washington. It should have complete authority to advise the Greek Government, disburse funds, program supplies, and make contracts for reconstruction.

Coordination between the Mission and the American, Greek, and British military authorities presents a problem, because such a large part of the foreign aid and internal revenue being supervised by the Mission would go to the military. Relations with the British and Greek armed forces should be through the military section of the Mis-

sion. The head of the section should be one of the principal advisers of the Chief of the Mission, so that military and civilian activities can be fully coordinated. Similarly in the United States the military and civilian programs should be coordinated through the officer of the Department of State in charge of the program with the assistance of representatives of the War and Navy Departments.

The Mission should operate as an entity separate from the American Embassy. The two will naturally have to work in close cooperation; the Mission should keep the Embassy fully informed of the general nature of its work, and on all matters of importance the Embassy should be consulted before action is taken. It would not be desirable to give the Embassy any responsibility for the Mission's work since the Ambassador should be in a position to counsel the Mission and to report objectively concerning it to the United States Government.

Appropriate means should be devised for keeping the United Nations and specialized and associated agencies informed of the operation of the Mission.







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# AMERICAN POLICY CONCERNING GERMAN MONOPOLIES

by Isaiah Frank

*A key element in American policy toward Germany is the elimination of excessive concentrations of economic power. The manner in which we are attempting to achieve this objective is presented against the background of the role played by German combines and cartels in the past.*

On February 12, 1947, laws entitled "Prohibition of Excessive Concentration of German Economic Power" were simultaneously promulgated by the military governments in the United States and British zones of Germany.<sup>1</sup> Although it is premature to attempt an appraisal of the actual effect of these "decartelization" laws on the structure of German industry, their enactment signifies the culmination of about a year and a half of effort at statutory implementation of the Potsdam provision that—

"At the earliest practicable date, the German economy shall be decentralized for the purpose of eliminating the present excessive concentration of economic power as exemplified in particular by cartels, syndicates, trusts and other monopolistic arrangements."

An analysis of the economic and political basis for American policy concerning German cartels and combines would lie beyond the scope of the present article. Three considerations, however, may be mentioned as of paramount importance.

(1) It is recognized that the emergence in Germany of a liberal democratic government would be prejudiced if the economic power concentrated in the hands of German monopolists could be used in the political sphere to pursue their traditional anti-democratic aims.

(2) Our conception of a post-war world free from restrictions on production and trade imposed by international cartels and combines could scarcely be realized if steps were not taken now to prevent the future resumption of German industry's role as organizer and leader of restrictive organizations. Internal combination and carteli-

zation of German industry served as the essential basis for her sponsorship of such organizations in the international field.

(3) Allied security interests require the elimination of German monopoly. In combination with other important elements in German society such as "Junkerdome" and a militaristic tradition, the monopolistic organization of German industry has served indirectly as a cause of aggression. Monopoly leads to high prices, reduced output, and excess capacity with resultant pressures to engage in dumping or to enlarge the protected market through territorial conquest. In addition a monopolistic industrial structure tends to increase the rate of profit and therefore of savings while at the same time reducing opportunities for independent investment. Under normal conditions of private capitalism this situation typically aggravates the problem of unemployment and maldistribution of income and makes for political instability and extremism.

This article presents briefly a statement of the position which monopolies occupied in Germany both before and during the Nazi regime and an account of attempts by the United States to deal with the problem since the end of the war.

## Position of Monopolies in Germany

Concentration of German industry had progressed rapidly before the Nazis came to power. In terms of organization it was achieved principally through the establishment of combines and

<sup>1</sup> BULLETIN of Mar. 9, 1947, p. 443. An article will follow in an early issue of the BULLETIN on United States policy toward monopoly in Japan.

cartels. Though both forms of organization have assumed numerous variations, the combine may be described essentially as an enterprise uniting under common ownership or management competitors (horizontal combine) or producers at several stages in the production process (vertical combine). Cartels, on the other hand, are contractual arrangements among legally independent enterprises for the purpose of avoiding or reducing competition. Though the controls bearing on any particular market situation were likely to consist of elements of both types of arrangements, the cartel was in a sense a secondary manifestation of the condition in which a relatively few firms controlled a large part of German capital and production. In fields where powerful combines existed the pressure was strong upon all firms in an industry to conform to their policies through participating in a cartel.

The prototypes of the combines were those within so-called "heavy industry." Single *Konzerne* controlled extensive mining properties, coking plants, iron and steel works, heavy engineering works, and in a number of cases inland navigation companies. They dominated the Rhine-Ruhr region, the middle German industrial region, and Upper Silesia. The merger and growth of large firms both vertically and horizontally spread from iron and steel and its closely allied industries to chemicals, the electro-technical field, light metals, and later the great synthetic industries, including textiles.

Many reasons have been advanced for this growth of monopoly in Germany on a scale which has few parallels in industrially developed countries. Considerable emphasis is placed by some economic historians on the relatively late but rapid industrialization of Germany, accounted for in part by the lack of political unification during most of the nineteenth century. In other western countries technical knowledge and organizational forms developed slowly and were accompanied by the establishment of a strong and independent middle class with a tradition of economic liberalism and political democracy appropriate to such a social structure. In Germany, however, the compression of industrial development within a relatively short space of time meant the superimposition of large-scale industry upon a framework of institutions essentially pre-industrial or "feudal" in character.

Concentration was further encouraged before and during World War I by the allocation of Government armament orders which constituted the largest single outlet for the productive capacity of heavy industry. After the war the inflation wiped out substantial elements of small and medium-sized business and left the combines in a position to acquire additional properties at bargain rates. The merger process was abetted by the use for such purposes of indemnities received by heavy industry for the loss of properties in Lorraine and Silesia. In this connection it should be noted that, although the process of trustification relied for its political support upon the conservative elements in the community, it was never vigorously opposed by the Left, which regarded industrial concentration as a process that would facilitate the tasks of socialization.

The effectiveness of cartel controls in Germany was in good measure a consequence of the dominant role played by the big combines. Though small and inefficient enterprises were sometimes kept alive under the protection of cartel agreements, basic policies were set by the larger firms. Voting power within the cartel was commonly based on a member's production quota, a circumstance which encouraged the merger process since the quota went along with the rest of the firm's assets. Cartelization also stimulated vertical combination as a device to avoid the necessity of purchasing materials in high-price, cartelized markets.

Membership in the pre-Nazi cartels was, at least nominally, voluntary except for a few cases such as coal and potash in which compulsory organizations were set up by special parliamentary enactment. The freedom not to join and also to withdraw from cartels made possible in certain fields periodic outbursts of competition often induced by struggles surrounding the bargaining for higher quotas.

Private market regulation of the cartel variety was a socially sanctioned and legally accepted way of doing business in Germany. Many court decisions reflected the view that price and quota agreements were a more civilized method of ordering the market than the "anarchy" of free competition. At times of national economic crisis, however, public sentiment became aroused against monopolies to the point where the Government was forced to take formal steps. The most sweeping of the Weimar decrees for the regulation of

cartels in the public interest came in 1923 when the inflation had brought about the impoverishment of substantial sectors of the middle class while at the same time strengthening the position of big business. The 1923 decree vested broad powers in the Government to void existing agreements and to enjoin cartels from engaging in practices which were prejudicial to the economic welfare of the community. These powers were strengthened in another decree issued in 1930 in response to pressures that arose during the business collapse.

Despite the considerable grants of statutory power to prevent and remedy the worst abuses of cartels, the Weimar Government seldom took action. The laws remained on the statute books practically as dead letters while the cartels consolidated their position domestically and extended their power beyond Germany's borders to become the dominant factors in the network of international cartels that blanketed European industry.

Though the concentration of German industry progressed rapidly under the Weimar Government, the process was greatly accelerated after the Nazis came to power. One indication of the point reached in this process is furnished by the advance of integration in Germany's coal mines, which, along with potash, represent her only significant indigenous resource of raw materials and the basis for her vast iron and steel, chemical, and synthetic industries. In 1913 the independent coal mines controlled over 50 percent of the coal fields, whereas in 1940 all but 10 percent of the coal fields passed into captive hands. This figure was further reduced during the war by the incorporation of some of the remaining mines into the Ruhr steel combines.

The Nazi Government pursued a positive policy of encouraging the amalgamation of small and especially medium-sized firms into the larger combines. Joint concerns were compulsorily established in certain fields, such as synthetics, where rapid expansion was desired. Rationalization of industry with a view to increasing the efficiency of the industrial machine for military purposes became, in effect, a device for eliminating or combing out the inefficient, i.e. smaller, concerns. Aryanization of Jewish property provided an opportunity to acquire the property of former competitors, a factor which was especially important in the consumer-goods industries. The Ger-

manization of property in occupied Europe meant the accretion to existing combines of substantial blocks of foreign industrial assets, in many cases at nominal prices. Perhaps of paramount importance in shaping the attitude of the Nazi Government toward the extension of the dominion of existing combines was the conviction that such concentration, by reducing the number of units with which government would have to deal, would simplify the task of mobilizing the economy for war and would facilitate administration during active hostilities.

Whereas the Weimar Government merely refrained from interfering with cartels, the Nazis adopted a conscious policy of strengthening cartels with a view to using them to further national objectives.

The movement to consolidate individual business enterprises had its analogue in the "rationalization" of associations of business. By the latter stages of the war the 2,500 cartels, which it is estimated had formerly existed, were merged into approximately 500 cartels, mostly of a national character. Much of this consolidation was accomplished at the direction of the Government which, shortly after coming into power, issued a compulsory cartelization decree vesting in the Minister of Economics the power to create new cartels with compulsory membership and to order any firm to join an existing cartel.

As industrial capacity in Germany became fully utilized in response to military demands, the traditional functions of the cartels as market-regulating bodies disappeared. Price-fixing was adopted by the Government as an anti-inflationary measure, restrictionism in production gave way to efforts to maximize output, orders and raw materials became centrally allocated, and research and technology were compulsorily pooled. In this economic environment the cartels and super-cartels established by the authorities (*Gruppen, Ringe, Reichsvereinigungen*) became the self-governing organizations of business, carrying out under general directives the various regulatory functions involved in state-planned production and distribution. Needless to say, the power which the cartels and cartel-like organizations exercised over their members became vastly enhanced by the fact that they became the officially established points of contact between the central German Government and the individual firms in an industry.

## U.S. Action To Weaken German Monopoly

As the Allied military occupation of Germany progressed, official recognition was given to the necessity for uprooting monopolistic organizations from the entrenched positions which they had established in German economic and political life. In April 1945 the directive to the Commander in Chief of United States Forces of Occupation (JCS 1067) included the following:

"You will prohibit all cartels or other private business arrangements and cartel-like organizations, including those of a public or quasi-public character such as the *Wirtschaftsgruppen* providing for the regulation of marketing conditions, including production, prices, exclusive exchange of technical information and processes, and allocation of sales territories. Such necessary public functions as have been discharged by these organizations shall be absorbed as rapidly as possible by approved public agencies.

" . . . It is the policy of your government to effect a dispersion of the ownership and control of German industry. . . ."<sup>2</sup>

This was followed shortly after the formal surrender of Germany by a directive from USFET to the commanding generals of the military districts outlawing cartels. Then in August of the same year was signed the Potsdam declaration, reiterating our commitment to eliminate excessive concentrations of economic power in the form of both combines and cartels.

Implementation of official United States policy in this field has not been as rapid or vigorous as many had hoped. As with all occupation policies, the necessity for dealing with certain pressing short-run problems of economic revival, such as coal, food, and the foreign-trade deficit, tended to push into the background long-run objectives having to do with the basic shape of the German economy. Perhaps even overshadowing such conflicts of priority, the program has also suffered from varying interpretations on the part of the occupying powers as to the ultimate objectives of the deconcentration program and as to the manner in which it ought to be carried out. These differences—though highly revealing in themselves as reflecting some of the basic divergencies in over-all policy with respect to Germany—lie beyond the scope of this article and are mentioned merely in explanation of the difficulties faced by those responsible for implementing the program.

Much of the energies of the Decartelization

Branch of the Office of Military Government, United States (OMGUS) has in the past year and a half been taken up with negotiations with the other occupying powers on a law to serve as the basis for a comprehensive program for eliminating German combines and cartels. Simultaneously, extensive investigations and research have been carried forward in preparation for the complex task of corporate reorganization which is to constitute the principal phase of the anti-monopoly program. In addition, a number of *ad hoc* measures have been taken in limited spheres, the general lines of which can be indicated by a few examples.

I. G. Farben's spectacular role in organizing and dominating international chemical cartels and in supporting the German war effort caused it at an early date to be singled out for special attention. I. G. was established in 1925 out of a merger of six of the leading chemical firms in Germany. By 1937 it had a net worth of nearly six billion Reichsmarks and held participations in hundreds of industrial organizations both within and outside Germany. Together with its subsidiaries it had more than 200,000 employees before the war and increased this number to 400,000 during the war.

The Allied Control Authority in November 1945 issued Law No. 9 "providing for the seizure of property owned by I. G. Farbenindustrie and the control thereof". To carry out the law there was created a control committee consisting of one officer appointed by each of the zone commanders. Policies agreed upon by the committee were to be implemented in each zone by the zone commander acting through his control officer. Among the objectives to be accomplished by the committee were the termination of cartel relationships and the dispersion of the ownership of those plants and assets remaining after the destruction of specialized war facilities and the removal of other assets on reparations account. To date, substantial progress has been made in decentralizing the management of the plants and enterprises of I. G. Farben, liquidating central selling agencies, and prohibiting the carrying out of obligations under cartel agreements. The dispersion of ownership of I. G. plants has thus far, however, not progressed beyond the planning stage, and action along these lines awaits quadripartite agreement.

Little coal is mined in the U.S. zone of Germany

<sup>2</sup> BULLETIN of Oct. 21, 1945, p. 604.

and coal distribution in the past was carried on almost exclusively by two cartels—the bituminous coal organization known as Kohlenkontor Weyhenmeyer and Company of Mannheim and the brown coal group, the Rheinische Braunkohle Syndikat. Besides controlling the terms of sale and delivery for practically all coal coming into southern Germany, these two cartels limited wholesalers to particular marketing regions and engaged in a wide variety of other restrictive practices. Trustees have now been appointed over these organizations by OMGUS and their most undesirable activities have been eliminated.

In administering Germany's foreign-trade program, OMGUS has adopted the policy of screening contracts with a view to discouraging business relationships which would tend ultimately to lead to restraints of trade. Sales contracts with foreign buyers are in general not approved if they fix prices or terms of resale, allocate markets or fields, or otherwise restrict the sales or production of a consignee. Contracts are also rejected which create exclusive outlets in any country for German products where the consignee owns or controls facilities for the manufacture of the same or closely similar products.

#### **Law for Deconcentration of German Industry**

Quadrupartite agreement on the terms of a law which would lay down standards and procedures for dissolving German combines and for eliminating cartels and other practices in restraint of trade had not yet been reached at the time the economic merger of the British and American zones was announced. On February 12, 1947, therefore, parallel laws were simultaneously promulgated in the U.S. and U.K. zones to remain in effect until such time as a quadrupartite formula can be worked out. The U.S. and U.K. laws are identical except for two provisions as will be indicated in the following description.

Article 1 constitutes the basic provision and may be regarded as consisting substantively of two parts, one relating to restrictive practices including cartels, and the other to combines. The section on restrictive practices outlaws "cartels, combines, syndicates, trusts, associations or any other form of understanding or concerted undertaking between persons, which have the purpose or effect of restraining, or of fostering monopolistic control of, domestic or international trade or other eco-

nomic activity, or of restricting access to domestic or international markets". Among the practices which this expression is defined to include are agreements which fix prices, terms, or conditions in the purchase or sale of any product; exclude any person (natural or juristic) from any territorial market or field of business activity, allocate customers, or fix sales or purchase quotas; allocate distributors or products among customers; boycott or discriminate against enterprises for the purpose of reducing competition; limit production or fix production quotas; suppress technology, whether patented or unpatented; extend the use of rights under patents, trade-marks, or copyrights to matters not contained in the authorized grant. It will be noted that this recital of practices parallels almost exactly the restrictive practices listed in chapter VI of the present draft charter of the International Trade Organization.

The section of article 1 dealing with combines provides that all economic enterprises having their headquarters in the U.S. zone (the British zone in the U.K. law) and employing in Germany on the effective date of the law or thereafter "more than 10,000 persons shall be examined as *prima facie* constituting excessive concentrations of economic power". A principal object of the investigation would presumably be to determine whether the existing degree of integration is justified on grounds of technological efficiency. If military government or its designated agency makes a finding that the enterprise does in fact constitute an excessive concentration of economic power, the enterprise is to be dissolved in accordance with the relevant provisions of the act. On this point the U.S. zonal law has a proviso, not paralleled in the U.K. version, providing that when an enterprise with more than 10,000 employees is located entirely within the U.S. zone it shall be dissolved unless military government takes affirmative action in the case in question to exempt the enterprise. Though the inclusion of this clause only in the U.S. zonal ordinance reflects a divergence of view from the British position that the size of a firm is not in itself crucial in determining excessive concentration, it is doubtful whether the clause will in fact be applicable to more than a few enterprises since most firms which exceed the 10,000-employee standard probably have at least a sales agency outside the U.S. zone.

Article 1 also provides that firms may be dealt



with as excessive concentrations of economic power even when they do not exceed the 10,000-employee standard. In making a determination as to whether such a firm is an excessive concentration, military government is required to consider the following factors: the percentage of total production in the industry controlled by the enterprise; the asset value of the enterprise and its annual volume of business; the number of persons employed; the character of the product or other activity of the enterprise; and the nature and extent of participation by the enterprise in any restrictive agreement or practice.

Article 2 prohibits German participation in international cartels directly or indirectly. Article 3 provides for exemptions from the terms of the law when in the opinion of military government the activities of the enterprise under review are not repugnant to the purposes of the deconcentration law or are required to further the declared objectives of military government.

Article 4 confers broad powers upon the agency designated by military government to enforce the law, including the power to eliminate corporate entities; redistribute and remove property, investments, and other assets; and cancel cartel obligations. The enforcing agency may also delegate any of its powers to appropriate German governmental agencies.

The statute lays down penalties up to 10 years' imprisonment or fines of not more than 200,000 Reichsmarks or both and leaves it to the discretion of military government to decide whether judicial proceedings shall be taken before German courts or military-government courts. Although the law became effective on date of promulgation, violators of the anti-combine provisions are not to be subject to criminal prosecution for a period of six months thereafter.

Appended to the ordinance as outlined is an annex entitled "Regulation Number 1". This annex defines the procedure to be adopted by enterprises affected by the law, the procedure governing applications for exemptions, and the rights of subject enterprises to appeal.

The section on exemptions under Regulation No. 1 includes the most important difference between the U.S. and U.K. versions. Both exempt the Reichsbahn, the Reichspost, public utilities, and enterprises taken into control by military government. In the latter connection, however, the an-

nex to the U.S. law specifies only I. G. Farben as included among enterprises exempt, whereas the British version also includes the Krupp works, the coal industry, and the iron and steel industry.

Detailed provisions are laid down for the submission of reports and other information on the basis of which enterprises will be notified whether they come within the scope of the law. Subject enterprises receiving orders to decentralize or otherwise comply with the law are required within three months of the issuance of such orders to prepare and submit a plan for complying with the law. After approval or amendment of the plan by military government they are to proceed to carry it out within a designated time limit. Enterprises subject to the anti-combine provisions of the law are forbidden to dispose of any of their assets without the written approval of military government.

### Conclusion

Elimination of excessive concentrations of economic power is a key element in American policy for the democratization of Germany's economic and political structure. The success of the program will depend in good measure on the machinery set up to enforce the relevant statutes and on the perception and vigor displayed by the enforcement personnel. In particular, it will be necessary to integrate closely the administration of the program in the U.S. and British zones even though a substantial portion of Germany's industrial assets in the U.K. zone is not subject to the decartelization law. German agencies or personnel to whom responsibilities are delegated will have to be carefully screened and supervised in view of their inexperience and historical indifference to anti-trust objectives. Even in the United States, where the anti-monopoly tradition is strong and deeply rooted, the legal and administrative problems connected with enforcement have been vexing and arduous. Although noteworthy results have been achieved in eliminating and preventing restrictive business practices, experience under the anti-trust laws and the Public Utility Holding Company Act attests to the difficulties surrounding the accomplishment of effective corporate dissolutions. Since corporate divestitures will constitute the central feature of the German deconcentration program, the task that lies ahead will tax the best efforts of the occupation authorities.

## THE COUNCIL OF FOREIGN MINISTERS

### Moscow Meeting of the Council of Foreign Ministers March 10–April 24, 1947

#### ADDRESS BY THE SECRETARY OF STATE<sup>1</sup>

Tonight I hope to make clearly understandable the fundamental nature of the issues discussed at the Moscow Conference of Foreign Ministers.

This Conference dealt with the very heart of the peace for which we are struggling. It dealt with the vital center of Europe—Germany and Austria—an area of large and skilled population, of great resources and industrial plants, an area which has twice in recent times brought the world to the brink of disaster. In the Moscow negotiations all the disagreements which were so evident during the conferences regarding the Italian and Balkan treaties came into sharp focus and remained in effect unsolved.

Problems which bear directly on the future of our civilization cannot be disposed of by general talk or vague formulae—by what Lincoln called “pernicious abstractions”. They require concrete solutions for definite and extremely complicated questions—questions which have to do with boundaries, with power to prevent military aggression, with people who have bitter memories, with the production and control of things which are essential to the lives of millions of people. You have been kept well informed by the press and radio of the daily activities of the Council, and much of what I have to say may seem repetitious. But the extremely complicated nature of the three major issues we considered makes it appear desirable for me to report in some detail the problems as I saw them in my meetings at the Conference table.

There was a reasonable possibility, we had hoped a probability, of completing in Moscow a peace treaty for Austria and a four-power pact to bind together our four governments to guarantee the demilitarization of Germany. As for the German peace treaty and related but more current German problems, we had hoped to reach agreement on a directive for the guidance of our deputies in their work preparatory to the next conference.

In a statement such as this, it is not practicable to discuss the numerous issues which continued in

disagreement at the Conference. It will suffice, I think, to call attention to the fundamental problems whose solution would probably lead to the quick adjustment of many other differences.

#### Coal

It is important to an understanding of the Conference that the complex character of the problems should be understood, together with their immediate effect on the people of Europe in the coming months. To cite a single example, more coal is most urgently needed throughout Europe for factories, for utilities, for railroads, and for the people in their homes. More coal for Allied countries cannot be mined and delivered until the damaged mines, mine machinery, railroad communications and like facilities are rehabilitated. This rehabilitation, however, depends on more steel, and more steel depends in turn on more coal for steel making. Therefore, and this is the point to be kept in mind, while the necessary rehabilitation is in progress, less coal would be available in the immediate future for the neighboring Allied states.

But less coal means less employment for labor and a consequent delay in the production of goods for export to bring money for the purchase of food and necessities. Therefore, the delay necessary to permit rehabilitation of the mines so vitally affects France that the settlement of this matter has become for her a critical issue. All neighboring states and Great Britain and the Soviet Union are directly affected in various ways since coal is required for German production of goods for export sufficient to enable her to buy the neces-

<sup>1</sup> Broadcast over the national networks of the American Broadcasting Company, Mutual Broadcasting System, and National Broadcasting Company on Apr. 28, 1947, upon the occasion of the Secretary's return from the meeting of the Council of Foreign Ministers and released to the press on the same date. The full text of the Secretary's address was broadcast to the Soviet Union in the Russian language on Apr. 29 from the New York studios of the Voice of the United States of America, operated by the International Broadcasting Division of the Department of State.

sary imports of foods, et cetera, for much of which the United States is now providing the funds.

Moreover, in the background of this coal issue, which is directly related to steel production, is the important consideration of the build-up of heavy industry in Germany, which could later again become a threat to the peace of the world. I cite this single example to illustrate the complications which are involved in these negotiations.

### Germany

The Allied Control Council in Berlin presented a detailed report of the many problems concerned with the political, military, economic, and financial situation under the present military government of Germany. In connection with these matters, the Ministers considered the form and scope of the provisional political organization for Germany and the procedure to be followed in the preparation of the German peace treaty.

The German negotiations involved not only the security of Europe and the world but the prosperity of all of Europe. While our mission was to consider the terms of a treaty to operate over a long term of years, we were faced with immediate issues which vitally concerned the impoverished and suffering people of Europe who are crying for help, for coal, for food, and for most of the necessities of life, and the majority of whom are bitterly disposed towards the Germany that brought about this disastrous situation. The issues also vitally concern the people of Britain and the United States who cannot continue to pour out hundreds of millions of dollars for Germany because current measures were not being taken to terminate expeditiously the necessity for such appropriations.

The critical and fundamental German problems to which I shall confine myself are: (a) the limits to the powers of the central government; (b) the character of the economic system and its relation to all of Europe; (c) the character and extent of reparations; (d) the boundaries for the German state; and (e) the manner in which all Allied states at war with Germany are represented in the drafting and confirmation of the treaty.

All the members of the Council of Foreign Ministers are in apparent agreement as to the establishment of a German state on a self-supporting, democratic basis, with limitations imposed to prevent the reestablishment of military power.

### Central Government

This issue of the degree of centralization of the future German state is of greatest importance. Excessive concentration of power is peculiarly dangerous in a country like Germany which has no strong traditions regarding the rights of the individual and the rights of the community to control the exercise of governmental power. The Soviet Union appears to favor a strong central government. The United States and United Kingdom are opposed to such a government, because they think it could be too readily converted to the domination of a regime similar to the Nazis. They favor a central government of carefully limited powers, all other powers being reserved to the states, or *Länder* as they are called in Germany. The French are willing to agree only to very limited responsibilities for the central government. They fear a repetition of the seizure of power over the whole of Germany carried out by the Hitler regime in 1933.

Under ordinary circumstances there are always strong and differing points of view regarding the character of a governmental reorganization. In this case there are great and justifiable fears regarding the resurrection of German military power, and concern over expressed or concealed desires for quite other reasons.

### German Economy

Regarding the character of the German economic system and its relation to all of Europe, the disagreements are even more serious and difficult of adjustment. German economy at the present time is crippled by the fact that there is no unity of action, and the rehabilitation of Germany to the point where she is self-supporting demands immediate decision.

There is a declared agreement in the desire for economic unity in Germany, but when it comes to the actual terms to regulate such unity there are wide and critical differences. One of the most serious difficulties encountered in the effort to secure economic unity has been the fact that the Soviet-occupied zone has operated practically without regard to the other zones and has made few if any reports of what has been occurring in that zone. There has been little or no disposition to proceed on a basis of reciprocity, and there has been a refusal to disclose the availability of foodstuffs and the degree or character of reparations taken out of this zone.

This unwillingness of the Soviet authorities to cooperate in establishing a balanced economy for Germany as agreed upon at Potsdam has been the most serious check on the development of a self-supporting Germany and a Germany capable of providing coal and other necessities for the neighboring states who have always been dependent on Germany for these items. After long and futile efforts to secure a working accord in this matter, the British and American zones were combined for the improvement of the economic situation, meaning the free movement of excess supplies or produce available in one zone to another where there is a shortage. Our continuing invitation to the French and Soviets to join in the arrangement still exists. This merger is bitterly attacked by the Soviet authorities as a breach of the Potsdam Agreement and as a first step toward the dismemberment of Germany, ignoring the plain fact that their refusal to carry out that agreement was the sole cause of the merger. It is difficult to regard their attacks as anything but propaganda designed to divert attention from the Soviet failure to implement the economic unity agreed at Potsdam. Certainly some progress towards economic unity in Germany is better than none.

The character of the control over the Ruhr industrial center, the greatest concentration of coal and of heavy industries in Europe, continues a matter of debate. It cannot be decided merely for the purpose of reaching an agreement. Vitally important considerations and future consequences are involved.

### **Reparations**

The question of reparations is of critical importance as it affects almost every other question under discussion. This issue naturally makes a tremendous appeal to the people of the Allied states who suffered the terrors of German military occupation and the destruction of their cities and villages.

The results of the Versailles Treaty of 1919 regarding payment of reparations on a basis of dollars, and the difficulties encountered by the Reparations Commission appointed after Yalta in agreeing upon the dollar evaluation of reparations in kind convinced President Truman and his advisers considering the question at Potsdam that some other basis for determining reparations should be adopted if endless friction and bitter-

ness were to be avoided in future years. They succeeded in getting agreement to the principle of reparations to be rendered out of capital assets—that is, the transfer of German plants, machinery, et cetera, to the Allied powers concerned.

It developed at the Moscow Conference that the Soviet officials flatly disagreed with President Truman's and Mr. Byrnes' understanding of the written terms of this agreement. The British have much the same view of this matter as the United States.

We believe that no reparations from current production were contemplated by the Potsdam Agreement. The Soviets strongly oppose this view. They hold that the previous discussions and agreements at Yalta authorize the taking of billions of dollars in reparations out of current production. This would mean that a substantial portion of the daily production of German factories would be levied on for reparation payments, which in turn would mean that the recovery of Germany sufficiently to be self-supporting would be long delayed. It would also mean that the plan and the hope of our Government, that Germany's economic recovery by the end of three years would permit the termination of American appropriations for the support of the German inhabitants of our zone, could not be realized.

The issue is one of great complications, for which agreement must be found in order to administer Germany as an economic whole as the four powers claim that they wish to do.

There is, however, general agreement among the Allies that the matter of the factories and equipment to be removed from Germany as reparations should be reexamined. They recognize the fact that a too drastic reduction in Germany's industrial set-up will not only make it difficult for Germany to become self-supporting but will retard the economic recovery of Europe. The United States has indicated that it would be willing to study the possibility of a limited amount of reparations from current production to compensate for plants, previously scheduled to be removed as reparations to various Allied countries, which it now appears should be left in Germany; it being understood that deliveries from current production are not to increase the financial burden of the occupying powers or to retard the repayment to them of the advances they have made to keep the German economy from collaps-

ing. The Soviet Government has made no response to this suggestion.

### Boundaries

The issue regarding boundaries to be established for Germany presents a serious disagreement and another example of complete disagreement as to the meaning of the pronouncement on this subject by the heads of the three powers. In the rapid advance of the Soviet armies in the final phase of the war, millions of Germans in eastern Germany fled to the west of the Oder River. The Soviet armies, prior to Potsdam, had placed Poles in charge of this area largely evacuated by the German population. That was the situation that confronted President Truman at Potsdam. Under the existing circumstances, the President accepted the situation for the time being with the agreed three-power statement, "The three heads of government reaffirm their opinion that the final delimitation of the western frontier of Poland should await the peace settlement."

The Soviet Foreign Minister now states that a final agreement on the frontier between Germany and Poland was reached at Potsdam, and the expression I have just quoted merely referred to the formal confirmation of the already agreed upon frontier at the peace settlement, thus leaving only technical delimitation to be considered.

The United States Government recognized the commitment made at Yalta to give fair compensation to Poland in the west for the territory east of the Curzon Line incorporated into the Soviet Union. But the perpetuation of the present temporary line between Germany and Poland would deprive Germany of territory which before the war provided more than a fifth of the foodstuffs on which the German population depended. It is clear that in any event Germany will be obliged to support, within much restricted boundaries, not only her pre-war population but a considerable number of Germans from eastern Europe. To a certain extent this situation is unavoidable, but we must not agree to its aggravation. We do not want Poland to be left with less resources than she had before the war. She is entitled to *more*, but it will not help Poland to give her frontiers which will probably create difficulties for her in the future. Wherever the frontiers are drawn, they should not constitute barriers to trade and commerce upon which the well-being of Europe is

dependent. We must look toward a future where a democratic Poland and a democratic Germany will be good neighbors.

### Peace Treaty Procedure

There is disagreement regarding the manner in which the Allied powers at war with Germany are to participate in the drafting and confirmation of the German peace treaty. There are 51 states involved. Of these, in addition to the four principal Allied powers, 18 were directly engaged in the fighting, some of course to a much greater extent than others. It is the position of the United States that all Allied states at war with Germany should be given an opportunity to participate to some degree in the drafting and in the making of the peace treaty, but we recognize that there would be very practical difficulties if not impossibilities in attempting to draft a treaty with 51 nations participating equally at all stages. Therefore, the United States Government has endeavored to secure agreement on a method which involves two different procedures, depending on whether or not the state concerned actually participated in the fighting. But all would have an opportunity to present their views, and rebut other views, and all would sit in the peace conference to adopt a treaty.

It is difficult to get the agreement of the countries that have suffered the horrors of German occupation and were involved in heavy losses in hard fighting to accept participation in the determination of the treaty terms by countries who suffered no losses in men or material and were remote from the fighting. The United States, however, regards it as imperative that all the states who were at war with Germany should have some voice in the settlement imposed on Germany.

### Four Power Pact

The proposal for the Four Power Pact was advanced by the United States Government a year ago. It was our hope that the prompt acceptance of this simple pact ensuring in advance of the detailed German peace settlement that the United States would actively cooperate to prevent the rearmament of Germany would eliminate fears as to the future and would facilitate the making of a peace suitable to Europe's present and future needs. It was our hope that such a commitment by the United States would relieve the fear of the

other European powers that the United States would repeat its actions following the first World War, insisting on various terms for the peace settlement and then withdrawing from a position of any responsibility for their enforcement. It was thought that the compact of the four powers to guarantee the continued demilitarization of Germany would reassure the world that we were in complete accord in our intention to secure the peace of Europe.

However, the Soviet Government met our proposition with a series of amendments which would have completely changed the character of the pact, making it in effect a complicated peace treaty, and including in the amendments most of the points regarding the German problem concerning which there was, as I have pointed out, serious disagreement. I was forced to the conclusion by this procedure that the Soviet Government either did not desire such a pact or was following a course calculated to delay any immediate prospect of its adoption. Whether or not an agreement can finally be reached remains to be seen, but the United States, I think, should adhere to its present position and insist that the pact be kept simple and confined to its one basic purpose—to keep Germany incapable of waging war.

#### **Austrian Treaty**

The negotiations regarding the Austrian treaty resulted in agreement on all but a few points, but these were basic and of fundamental importance. The Soviet Union favors and the other governments oppose the payment of reparations and the cession of Carinthia to Yugoslavia.

But the Soviet Government attached much more importance to its demand that the German assets in Austria which are to be hers by the terms of the Potsdam Agreement should include those assets which the other three powers consider to have been taken from Austria and the citizens of the United Nations by force or duress by Hitler and his Nazi government following the taking over of Austria by military force in March 1938. The Soviet Government refused to consider the word *duress*, which in the opinion of the other three powers would be the critical basis for determining what property, that is, business, factories, land, forests, et cetera, was truly German property and not the result of seizures by terroristic procedure, intimidation, fake business acquisition, and so forth. The

Soviet Union also refused to consider any process of mediation to settle the disputes that are bound to arise in such circumstances, nor would they clearly agree to have such property as they receive as German assets subject to Austrian law in the same manner as other foreign investments are subject to Austrian law.

The acceptance of the Soviet position would mean that such a large portion of Austrian economy would be removed from her legal control that Austrian chances of surviving as an independent self-supporting state would be dubious. She would in effect be but a puppet state.

All efforts to find a compromise solution were unavailing. The United States, in my opinion, could not commit itself to a treaty which involved such manifest injustices and, what is equally important, would create an Austria so weak and helpless as to be the source of great danger in the future. In the final session of the Conference, it was agreed to appoint a Commission to meet in Vienna May 12th to reconsider our disagreements and to have a Committee of Experts examine into the question of the German assets in Austria. Certainly prompt action on the Austrian treaty is necessary to fulfil our commitment to recognize Austria as a free and independent state and to relieve her from the burdens of occupation.

#### **Summary**

Complicated as these issues are, there runs through them a pattern as to the character and control of central Europe to be established. The Foreign Ministers agreed that their task was to lay the foundations of a central government for Germany, to bring about the economic unity of Germany essential for its own existence as well as for European recovery, to establish workable boundaries, and to set up a guaranteed control through a four-power treaty. Austria was to be promptly relieved of occupation burdens and treated as a liberated and independent country.

Agreement was made impossible at Moscow because, in our view, the Soviet Union insisted upon proposals which would have established in Germany a centralized government, adapted to the seizure of absolute control of a country which would be doomed economically through inadequate area and excessive population, and would be mortgaged to turn over a large part of its production



as reparations, principally to the Soviet Union. In another form the same mortgage upon Austria was claimed by the Soviet Delegation.

Such a plan, in the opinion of the United States Delegation, not only involved indefinite American subsidy, but could result only in a deteriorating economic life in Germany and Europe and the inevitable emergence of dictatorship and strife.

Freedom of information for which our Government stands inevitably involves appeals to public opinion. But at Moscow propaganda appeals to passion and prejudice appeared to take the place of appeals to reason and understanding. Charges were made by the Soviet Delegation and interpretation given the Potsdam and other agreements, which varied completely from the facts as understood or as factually known by the American Delegation.

There was naturally much uncertainty regarding the real intention or motives of the various proposals submitted or of the objections taken to the proposals. This is inevitable in any international negotiation.

However, despite the disagreements referred to and the difficulties encountered, possibly greater progress towards final settlement was made than is realized.

The critical differences were for the first time brought into the light and now stand clearly defined so that future negotiations can start with a knowledge of exactly what the issues are that must be settled. The Deputies now understand the precise views of each government on the various issues discussed. With that they can possibly resolve some differences and surely can further clarify the problems by a studied presentation of the state of agreement and disagreement. That is the best that can be hoped for in the next few months. It marks some progress, however painfully slow. These issues are matters of vast importance to the lives of the people of Europe and to the future course of world history. We must not compromise on great principles in order to achieve agreement for agreement's sake. Also, we must sincerely try to understand the point of view of those with whom we differ.

In this connection, I think it proper to refer to a portion of a statement made to me by Generalissimo Stalin. He said with reference to the Conference, that these were only the first skir-

mishes and brushes of reconnaissance forces on this question. Differences had occurred in the past on other questions, and as a rule, after people had exhausted themselves in dispute, they then recognized the necessity of compromise. It was possible that no great success would be achieved at this session, but he thought that compromises were possible on all the main questions, including demilitarization, political structure of Germany, reparations and economic unity. It was necessary to have patience and not become pessimistic.

I sincerely hope that the Generalissimo is correct in the view he expressed and that it implies a greater spirit of cooperation by the Soviet Delegation in future conferences. But we cannot ignore the factor of time involved here. The recovery of Europe has been far slower than had been expected. Disintegrating forces are becoming evident. The patient is sinking while the doctors deliberate. So I believe that action cannot await compromise through exhaustion. New issues arise daily. Whatever action is possible to meet these pressing problems must be taken without delay.

Finally, I should comment on one aspect of the matter which is of transcendent importance to all our people. While I did not have the benefit, as did Mr. Byrnes, of the presence of the two leading members of the Senate Foreign Relations Committee, I did have the invaluable assistance of Mr. Dulles, a distinguished representative of the Republican party as well as a recognized specialist in foreign relations and in the processes of international negotiations and treaty-making. As a matter of fact, the bipartisan character of the American attitude in the present conduct of foreign affairs was clearly indicated by the strong and successful leadership displayed in the Senate during the period of this Conference by Senators Vandenberg and Connally in the debate over a development of our foreign policy of momentous importance to the American people. The fact that there was such evident unity of purpose in Washington was of incalculable assistance to me in Moscow. The state of the world today and the position of the United States make mandatory, in my opinion, a unity of action on the part of the American people. It is for that reason that I have gone into such lengthy detail in reporting my views on the conference.

# Proposals for Amendment of FAO Constitution

## PROPOSAL BY THE GOVERNMENT OF THE UNITED STATES

Acting Secretary Acheson to the Director General,  
FAO

WASHINGTON, D. C.

*April 23, 1946*

SIR: I have the honor to enclose the text of a proposed amendment to Articles V and VII of the Constitution of the Food and Agriculture Organization, together with an explanatory memorandum.

I should like to request that this proposal be placed upon the Agenda of the forthcoming session of the Conference of the Food and Agriculture Organization, in accordance with Rule XXIII, paragraph 2, of the Rules of Procedure of the Organization.

Very truly yours,

DEAN ACHESON

*Acting Secretary*

The Director General of the

FOOD AND AGRICULTURE ORGANIZATION  
OF THE UNITED NATIONS

### Text of Amendment

1. It is proposed that Article V be amended to read as follows:

#### *Article V—(The Council)*

1. The Conference shall elect a Council of the Food and Agriculture Organization consisting of representatives of eighteen Member nations of the Organization. The tenure and other conditions of office of the members of the Council shall be subject to rules to be made by the Conference.

2. The Conference may delegate to the Council such powers as it may determine, with the exception of powers set forth in paragraph 2 of Article II, Article IV, paragraph 1 of Article VII, Article XIII and Article XX of this Constitution.

3. The Council shall appoint its Chairman and other officers and, subject to any decisions of the Conference, shall adopt its own rules of procedure.

2. It is proposed that Article VII, paragraphs 2 and 3, be amended to read as follows:

#### *Article VII—(The Director-General)*

2. Subject to the general supervision of the Conference and the Council, the Director-General shall have full power and authority to direct the work of the Organization.

3. The Director-General or a representative designated by him shall participate, without the right to vote, in all meetings of the Conference and of the Council and shall formulate for consideration by the Conference and the Council proposals for appropriate action in regard to matters coming before them.

The United States Government proposal to amend Article V of the FAO Constitution and to make the necessary consequential amendment in Article VII would result in transforming the Executive Committee of FAO from a body composed of persons selected in an individual capacity to a body known as the *Council of the Food and Agriculture Organization—(FAO)*, composed of representatives of Member governments. The proposal is in general accord with the recommendations of the FAO Preparatory Commission on World Food Proposals, particularly as set out in Chapter 7 of that Report. It is made because of the sincere conviction of this Government that such a step would greatly strengthen the FAO and would enable it to discharge more effectively its obligations.

#### *I. Organization and Functions of the Council of FAO*

It is proposed that the Council of FAO be composed of representatives of eighteen Member nations of FAO. Details concerning the Council's organization, meetings, terms of office, provision for the attendance of observers, and similar matters should be governed by rules to be made by the Conference, along lines indicated in Paragraphs 251-256 of the Preparatory Commission Report. The Director-General should be entitled to attend all sessions of the Council, without vote. He would also be requested to supply the necessary secretarial assistance to the Council, both during



and between sessions, from the Organization's staff. It is the view of this Government that the Council should be an integral part of the Organization, and should not be permitted to become a separate entity within the FAO. This was the clear intention of the Commission as this Government understood it at the time. This Government pointed out informally to the Secretariat that Paragraph 256.2 of the Report appears to be inaccurately drafted on this point.

It is proposed that the Council exercise such powers and perform such functions as the Conference may delegate to it. These would include the present functions of the Executive Committee which are concerned with the entire program of FAO in the field of food and agricultural policy. This Government is studying the various alternatives for continuing the functions of Financial Control now exercised by the Executive Committee, and will include recommendations on this matter in proposed draft amendments to the Financial Regulations.

This Government considers that the recommendation of the FAO Preparatory Commission for an annual intergovernmental review and consultation on national agricultural and nutrition programs is an important one and should be adopted by the Conference. One of the major tasks of the Council would then be to assist the Director-General to prepare the report and agenda for the annual consultations. To do this, the Council would need to review and where appropriate make recommendations concerning technical developments in agriculture, nutrition, forestry, and fisheries; national and international programs and policies in food and agriculture; international trade problems affecting food and agriculture, including agricultural commodity problems; general economic development especially in relation to agricultural and nutrition policies; and methods by which the Organization may carry out its obligations in these fields.

It is proposed that the functions of the Director-General remain as they now are except that his responsibilities will undoubtedly increase because of the enlarged activities which the Council may develop.

The United States Government will submit to the Conference draft amendments to the Rules of Procedure and Financial Regulations, which will embody the above suggestions.

## II. *The Name*

The United States Government attaches considerable importance to the name *Council of the Food and Agriculture Organization*—(FAO) for two major reasons:

1. It is desired to emphasize by the name, as well as by any rules adopted, that the Council is an integral part of FAO. It is the view of this Government that the Council should be regarded as an extension of the Conference and responsible to it. Any name which indicates or implies an independent status from FAO would not be favorably viewed by this Government.

2. Use of this name will emphasize that the Council will be concerned with consideration of all problems and questions within the scope of FAO—i.e. non-food agricultural products, forests and forest products, and fisheries, as well as food products.

## III. *Reasons for Proposed Recommendations*

The United States Government recommends that the Executive Committee be reconstituted as a Council of 18 Member governments for the following reasons:

1. As recommendations of international organizations depend on Member governments for their implementation, such recommendations should express not only desirable goals but goals practically attainable. Experience in many fields has demonstrated that governments are most likely to implement by national action those international recommendations which they themselves, or a representative body composed of governments, have had a hand in shaping. This is a major reason why the United States Government favors the establishment of a Council of government representatives.

2. While all Member governments participate annually in the formulation of recommendations which constitute FAO policy, events and conditions change and require constant survey, review and possible further recommendation. A body exercising powers delegated by the Conference, and acting on its behalf, should reflect as closely as possible the Conference itself. Rules to be made by the Conference can provide for the selection of members of the Council in such a way that they will reflect in balanced fashion the interests of all the Members of the Conference.

3. The proposed Council of FAO should be attended regularly by representatives of all Member

governments elected to serve upon it. It has been demonstrated that, for unavoidable and often unexpected reasons, individuals selected to serve in their personal capacity on the Executive Committee have been unable to attend meetings regularly. Under a system of personal selection, there cannot consistently be a provision for selection of a successor in case of sudden vacancy. On the other hand, a Member nation elected to the Council could always insure the attendance of a representative at meetings of the Council.

4. It is felt that experts serving in an individual capacity on a body such as the Executive Committee, which has policy functions of a non-technical

character, are placed in an anomalous situation. They often must consider their government's official views on important policy matters, yet they have neither official responsibility to their governments, nor the benefit of official instructions from their governments. It is felt that the proposed change will help to remedy this situation.

This Government considers that there remains a large and important role to be played in the FAO by experts, selected in their individual capacity to advise the Organization on technical questions, including finance and administration, and it will welcome the continued cooperation by such experts in the work of FAO.

### PROPOSAL BY THE GOVERNMENT OF THE UNITED KINGDOM

BRITISH EMBASSY

*Washington, 24 April, 1947.*

SIR: I have the honour to give notice that his Majesty's Government in the United Kingdom intend to propose the following amendments to the Constitution of the Food and Agriculture Organization at the Conference at Geneva in August, 1947:

#### *Article V*

Delete existing paragraphs 1 and 2.

Substitute the following new paragraphs 1 and 2:

1. There shall be an Executive Committee consisting of one representative each of not less than nine or more than fifteen member nations of the Organization. The member nations to be represented in Executive Committee shall be elected by

the Conference. In making elections, the Conference shall have regard to the desirability that membership should reflect as varied as possible a range of economies in relation to food and agriculture.

2. The tenure and other conditions of office of members of the Executive Committee shall be subject to the rules to be made by the Conference.

Delete paragraph 4.

Renumber existing paragraph 5 as paragraph 4.  
I have the honour [etc.]

J. H. MAGOWAN

(For the Ambassador)

SIR JOHN BOYD ORR, D.S.O., M.C., F.R.S.

*Director-General*

*Food and Agriculture Organization  
of the United Nations  
Washington, D.C.*

### PROPOSAL BY THE GOVERNMENT OF AUSTRALIA

AUSTRALIAN EMBASSY

*Washington, 18th April, 1947.*

DEAR DIRECTOR-GENERAL,

*Third Session of FAO Conference*

I refer to your telegram to the Department of External Affairs, Canberra advising that the Third Session of the Conference is to be held at Geneva, commencing 25th August, 1947 and requesting that any proposed amendments of the Constitution be submitted no later than 26th April, 1947.

I am directed to advise in accordance with Rule

May 11, 1947

of Procedure No. 23 the Commonwealth Government wishes to have placed on the agenda for the Third Session of the conference a proposal for the amendment of Article V of the Constitution.

The following will be suggested by the Commonwealth Government to replace Article V as it now stands:

(1) The Conference shall appoint an Executive Committee consisting of not less than 9 nor more than 15 member nations who may each appoint a person to represent it on the Committee. Each such representative shall be a person who is in the opinion of the member nation so appointing

him qualified by administrative experience or other special qualifications to contribute to the attainment of the purposes of the Organization. Each nation member of the Executive Committee may if it considers necessary appoint an alternate to its representative on the Executive Committee.

(2) The representative or alternate appointed by the nation member of the Executive Committee may be selected from persons other than those who

are representing that nation at a meeting of the Conference.

Yours sincerely,

D. J. MUNRO  
*Second Secretary*

DIRECTOR-GENERAL

FOOD AND AGRICULTURE ORGANIZATION

2000 Massachusetts Avenue NW.

Washington, D.C.

# PROPOSAL BY THE EXECUTIVE COMMITTEE OF THE ORGANIZATION

We have examined the question whether any constitutional amendments are necessary to give effect to these proposals. In our opinion they are not. The functions which are to be allotted to the Commodity Commission of the World Food Council are advisory and are comprehended in Article I.2.f. of the Constitution. The power to establish it seems to be vested in the Conference by Article VI. However, in case any doubt should exist in the minds of others on the point and some changes in the Constitution should be considered necessary, we would suggest the following:

A. New Paragraph to be inserted in Article IV: "Function of the Conference" to provide for the World Food Council, as follows:

The Conference shall sit as the World Food Council to consider reports submitted by Members including analyses thereof prepared by the Director-General in conformity with Article XI.

B. New Article to be inserted between Articles V and VI:

## THE COMMODITY COMMISSION OF THE WORLD FOOD COUNCIL

1. The Conference shall appoint a Commodity Commission of the World Food Council consisting of representatives of eighteen Member nations. The mode of election, tenure and other conditions of office of the Members of this Committee shall be subject to rules to be made by the Conference.

2. The functions of the Commodity Commission of the World Food Council shall be:

to examine current developments in proposed and existing intergovernmental agricultural commodity arrangements, particularly those developments affecting adequacy of food supply, utilization of food reserves and famine relief,

changes in production on pricing policies, and special food programs for undernourished groups;

to promote consistency and coordination of agricultural commodity policies, national and international, with regard to (a) over-all FAO objectives, (b) the interrelationship of production, distribution, and consumption, and (c) interrelationships of agricultural commodities;

in consultation with the Director-General, to initiate and authorize groups to study and investigate agricultural commodity situations which are becoming critical, and to propose appropriate action, if necessary, in accordance with Article I.2.f.;

to draw the attention of the Director-General and the Executive Committee to the appropriate assistance which FAO might render to individual governments in relation to the above terms of reference;

and to consider any other matters within its terms of reference which may be submitted to it by the Executive Committee or the Director-General.

3. The Commodity Commission shall meet as provided for in rules to be made by the Conference. The Director-General shall transmit its reports to Member nations and to the Executive Committee.

4. The Chairman of the Commodity Commission shall be appointed in accordance with rules to be made by the Conference.

C. Revision of other articles (new insertions are italicized):

Article VII, para. 3 to read as follows:

3. The Director-General or a representative des-

ignated by him shall participate, without the right to vote, in all meetings of the Conference, of its Executive Committee, and of the *Commodity Commission of the World Food Council* and shall formulate for consideration by the Conference, the Executive Committee, and the *Commodity Commission of the World Food Council* proposals for appropriate action in regard to matters coming before them.

## Current United Nations Documents: A Selected Bibliography

There will be listed periodically in the *BULLETIN* a selection of United Nations documents which may be of interest to readers.

Printed materials may be secured in the United States from the International Documents Service, Columbia University Press, 2960 Broadway, New York City. Other materials (mimeographed or processed documents) may be consulted at certain designated libraries in the United States.

### Economic and Social Council

Terms of Reference for the Economic Commission for Europe. Resolution Adopted by Economic and Social Council on 28 March 1947. E/402, Apr. 9, 1947. 4 pp. mimeo.

Terms of Reference for the Economic Commission for Europe. E/CN.10/1, Apr. 3, 1947. 4 pp. mimeo. Also, E/CN.10/1/Corr. 1, Apr. 15, 1947. 1 p. mimeo.

Committee on the Economic Commission for Europe. Draft Terms of Reference for the Economic Commission for Europe. E/363/Rev. 1, Mar. 20, 1947. 5 pp. mimeo.

Annex A. Draft Terms of Reference for the Economic Commission for Europe. (Resulting From Informal Discussions Among Representatives of France, the United States, the United Kingdom, and the Union of Soviet Socialist Republics.) E/AC.17/3/Add. 1, Mar. 25, 1947. 4 pp. mimeo.

Economic Commission for Europe. Note by the Secretary-General on the Provisional Agenda of the First Session. E/CN.10/6, Apr. 9, 1947. 3 pp. mimeo.

Economic Commission for Asia and the Far East. Resolutions Adopted by the Economic and Social Council on 28 March 1947. E/405, Apr. 5, 1947. 4 pp. mimeo.

Report of the Working Group for Asia and the Far East. Temporary Sub-commission on Economic Reconstruction of Devastated Areas. E/307/Rev. 1, Mar. 4, 1947. 42 pp. printed.

Resolution on Relief Needs After the Termination of UNRRA Adopted by the General Assembly, Paragraph 8 (a) and (b). Report by the Secretary-General. E/300, Mar. 3, 1947. 12 pp. mimeo.

Remarks Concerning the Tasks of the Fiscal Commission (Items No. 6 and No. 9 of the Draft Provisional Agenda of the First Session.) Note by the Secretariat. E/CN.8/6, Apr. 10, 1947. 15 pp. mimeo.

List of Members of Commissions of the Economic and Social Council. E/427, Apr. 17, 1947. 7 pp. mimeo.

Fourth Session: Draft Resolutions. E/382, Mar. 26, 1947. 5 pp. mimeo.

Calendar of Economic and Social Meetings in 1947. Note by the Secretary-General. E/280/Rev. 1, Apr. 22, 1947. 3 pp. mimeo.

Foreign Exchange Problems of the Devastated Countries of the United Nations. Resolution adopted by Economic and Social Council on 28 March 1947. E/434, Apr. 29, 1947. 2 pp. mimeo.

Temporary Sub-commission on Economic Reconstruction of Devastated Areas. Working Group for Asia and the Far East. Check List and Index of Documents. Prepared by the Documents Index Unit. E/CN.1/Sub.1/C.2/4, Apr. 25, 1947. 16 pp. mimeo.

### General Assembly

Question of Palestine. Text of Mandate (Note by the Secretary-General). A/292, Apr. 18, 1947. 13 pp. mimeo.

Question of Palestine. Working Documentation Prepared by the Secretariat. Volume I. Reference Library on Palestine. A/296, Apr. 28, 1947. 58 pp. mimeo.

League of Nations Committee. Check List of Documents of the League of Nations Committee, the Committee on League of Nations Assets, and the Negotiating Committee on League of Nations Assets, First Session of the General Assembly, 1946. Prepared by the Documents Index Unit. A/LN/4, Apr. 26, 1947. 6 pp. mimeo.

The Journal of the First Special Session of the General Assembly of the United Nations, No. 1, was dated April 25, 1947. The Journal will be published in the working languages, English and French, each morning from Monday to Saturday inclusive. It will consist of the program of meetings, agendas of General Assembly Meetings, a list of General Assembly documents distributed and notices of interest to Delegates and the Secretariat. Verbatim reports of the plenary meetings and of any committee meetings will be issued separately in mimeographed form, to be printed later as part of the Official Records of the General Assembly.

### Security Council

Letter from the Permanent Representative of Greece to the United Nations Addressed to the Secretary-General Dated 24 April 1947. S/334, Apr. 25, 1947. 2 pp. mimeo.

(Continued on page 947)

# INTERNATIONAL ORGANIZATIONS AND CONFERENCES

## *Calendar of Meetings*<sup>1</sup>

<b>In Session as of May 4, 1947</b>		<b>1946</b>
Far Eastern Commission . . . . .	Washington . . . . .	Feb. 26
United Nations:		
Security Council . . . . .	Lake Success . . . . .	Mar. 25
Military Staff Committee . . . . .	Lake Success . . . . .	Mar. 25
Commission on Atomic Energy . . . . .	Lake Success . . . . .	June 14
		<b>1947</b>
Commission on Conventional Armaments . . . . .	Lake Success . . . . .	Mar. 24
Meeting of Experts on Passport and Frontier Formalities . . . . .	Geneva . . . . .	Apr. 14
General Assembly: Special Session . . . . .	Flushing Meadows . . . . .	Apr. 28
Economic Commission for Europe: First Session . . . . .	Geneva . . . . .	May 2
German External Property Negotiations (Safehaven):		<b>1946</b>
With Portugal . . . . .	Lisbon . . . . .	Sept. 3
With Spain . . . . .	Madrid . . . . .	Nov. 12
Inter-Allied Trade Board for Japan . . . . .	Washington . . . . .	Oct. 24
		<b>1947</b>
International Conference on Trade and Employment: Second Meeting of Preparatory Committee.	Geneva . . . . .	Apr. 10
ICAO (International Civil Aviation Organization):		
European-Mediterranean Special Air Traffic Control Meeting . . . . .	Paris . . . . .	Apr. 15
Air Transport Committee . . . . .	Montreal . . . . .	Apr. 28
Interim Council . . . . .	Montreal . . . . .	Apr. 29
Fifth International Hydrographic Conference . . . . .	Monaco . . . . .	Apr. 22
FAO (Food and Agriculture Organization): International Timber Conference.	Marianske-Lazne, Czechoslovakia.	Apr. 28-May 10
International Meeting of Marine Radio Aids to Navigation . . . . .	New York and New London.	Apr. 28-May 10
IRO (International Refugee Organization): Second Part of First Session of Preparatory Commission.	Lausanne . . . . .	May 1
<b>Scheduled for May-July 1947</b>		
ICAO (International Civil Aviation Organization):		
First Meeting of General Assembly . . . . .	Montreal . . . . .	May 6
South American Regional Air Navigation Meeting . . . . .	Lima . . . . .	June 17
South Atlantic Regional Air Navigation Meeting . . . . .	Rio de Janeiro . . . . .	July 15
ILO (International Labor Organization):		
Industrial Committee on Inland Transport . . . . .	Geneva . . . . .	May 7
102d Session of Governing Body . . . . .	Geneva . . . . .	June 13-17
30th Session of International Labor Conference . . . . .	Geneva . . . . .	June 19
Permanent Agriculture Committee . . . . .	Geneva . . . . .	July

<sup>1</sup> Prepared in the Division of International Conferences, Department of State.

*Calendar of meetings—Continued*

		1947
Congress of the Universal Postal Union . . . . .	Paris . . . . .	May 7
Central Rhine Commission . . . . .	Strasbourg . . . . .	May 7-8
International Technical Committee of Aerial Legal Experts: 16th Session.	Montreal . . . . .	May 10
Council of Foreign Ministers: Special Committee of Experts . . . .	Vicna . . . . .	May 12
German External Property Negotiations with Turkey (Safehaven) . . .	Ankara . . . . .	May 12 <sup>2</sup>
United Nations:		
Committee on Progressive Development and Codification of International Law.	Lake Success . . . . .	May 12 <sup>2</sup>
Economic Commission for Europe:		
Transport Session. . . . .	Geneva . . . . .	May 15 <sup>2</sup>
Second Session . . . . .	Geneva . . . . .	June 23 <sup>2</sup>
Economic Commission for Asia and the Far East:		
First Session . . . . .	Shanghai . . . . .	June 5 <sup>2</sup>
Committee of the Whole . . . . .	Lake Success . . . . .	June 23 <sup>2</sup>
Preparatory Conference of Experts on Telecommunications . . . .	Lake Success . . . . .	June 16 <sup>2</sup>
ECOSOC (Economic and Social Council):		
Fiscal Commission . . . . .	Lake Success . . . . .	May 19 <sup>2</sup>
Subcommission on Freedom of Information and of the Press . . .	Lake Success . . . . .	May 19 <sup>2</sup>
Subcommission on Statistical Sampling . . . . .	Lake Success . . . . .	June 2 <sup>2</sup>
Economic and Employment Commission . . . . .	Lake Success . . . . .	June 2 <sup>2</sup>
Human Rights Drafting Committee. . . . .	Lake Success . . . . .	June 9 <sup>2</sup>
Fifth Session . . . . .	Lake Success . . . . .	July 19
FAO (Food and Agriculture Organization):		
Rice Study Group. . . . .	Trivandrum, Travancore, India.	May 15
Executive Committee . . . . .	Washington . . . . .	June 2
Panel on Soil Erosion Control . . . . .	Washington . . . . .	June or July
International Radio Conference . . . . .	Atlantic City . . . . .	May 15
PMCC (Provisional Maritime Consultative Council) . . . . .	Paris . . . . .	May 16
IEFC (International Emergency Food Council): Fourth Meeting . . .	Washington . . . . .	May 26-27
Eleventh International Congress of Military Medicine and Pharmacy .	Basel . . . . .	June 2-7
ECITO (European Central Inland Transport Organization): Seventh Session of the Council (Second Part).	Paris . . . . .	June 3
International Cotton Advisory Committee . . . . .	Washington . . . . .	June 9
Caribbean Commission: Fourth Meeting . . . . .	Jamaica . . . . .	June 23-30
IARA (Inter-Allied Reparation Agency): Meeting on Conflicting Custodial Claims.	Brussels . . . . .	June
UNRRA Council: Seventh Session . . . . .	Washington . . . . .	June
International Telecommunications Plenipotentiary Conference . . .	Atlantic City . . . . .	July 1
International Council of Scientific Unions: Executive Committee . .	Paris . . . . .	July 1-2
International Rubber Study Group . . . . .	Paris . . . . .	July 1
Fourth International Congress of Administrative Sciences . . . . .	Bern . . . . .	July 20-27
UNESCO Executive Board . . . . .	Paris . . . . .	July

<sup>2</sup> Tentative.

# Geneva Meeting of the U.N. Preparatory Committee for the International Conference on Trade and Employment

## REPORT FROM GENEVA TO THE OFFICE OF PUBLIC AFFAIRS, DEPARTMENT OF STATE

GENEVA, *April 25, 1947*.—During the second week of the Second Session of the Preparatory Committee for the U. N. Conference on Trade and Employment, delegates from the 17 countries represented<sup>1</sup> were hard at work preparing for the opening of trade negotiations on April 23. The Conference is proceeding in an atmosphere of quiet seriousness; everyone present recognizes both the difficulties to be faced and the necessity for resolving them.

### Significance of Geneva Meeting

The arrival from Washington of William L. Clayton, Under Secretary of State for Economic Affairs and Chairman of the United States Delegation, highlighted the beginning of the second week. Speaking to the press, Mr. Clayton emphasized the dual aims of the Conference—to eliminate discriminations and reduce barriers to international trade, and to work out the charter for an International Trade Organization. This charter, after submission to countries of the world and their peoples, will be considered at a world conference on trade and employment to be called later by the United Nations.

"Obviously", Mr. Clayton said in speaking of the Conference aims, "this is a herculean task full of difficulties. In fact, so far as we are concerned in the United States, the road up to this point hasn't been too easy a one, but we are very happy to have come along that road and finally got here with, I think, the support of the American people.

"The reciprocal trade agreements program has been in effect now since 1934. It has proven its value and its worth, and I think the American people are firmly behind it and will support what we are able to do here to achieve the objectives of which I have spoken."

<sup>1</sup>The countries represented at the meeting include Australia, Belgium-Luxembourg, Brazil, Canada, Chile, China, Cuba, Czechoslovakia, France, India, Lebanon, the Netherlands, New Zealand, Norway, the Union of South Africa, the United Kingdom, and the United States.

### Problem of Free Trade

At this session, Mr. Clayton was asked his views on free trade. He pointed out that at this time neither the United States nor other countries are prepared for free trade.

"What I favor is freer trade than we now have", he said. "I favor it because it will enable a greater expansion in the interchange of goods and services between peoples of the world which, I think, and I think all economists agree, would inevitably result in a rising standard of living in the world." This "is extremely important, so that people everywhere will have a little more to eat and a little more to wear and better homes in which to live. And we believe that also has a great deal to do with the peace of the world."

Mr. Clayton pointed out that under the United States constitution the imposition of tariff barriers between the 48 States is prohibited so that there is free interchangeability of goods and services between those 48 States. "I believe that you would all agree that if we had started out on a different system and the constitution had permitted the imposition of barriers to interstate trade, we should never have reached the high degree of development and the high standard of living that we now enjoy. We would have instead a lopsided, inefficient, uneconomic development and a relatively low standard of living."

### U.S. Balance of Trade

One question troubling various people at the Conference has been the fact that many countries do not have an adequate supply of American dollars to purchase American goods. In 1946, it is pointed out, the United States exported a little over 10 billion dollars' worth of goods and imported only about one half that amount. It is through American purchase of foreign goods—imports—that other countries earn dollars to buy from us and maintain our exports. Mr. Clayton pointed out the American hope that achieving a balance in our trade would come about through an

increase in our imports. "We would certainly not like to see it come about by a reduction in exports." He believes that the United States is now in a position to absorb considerably more imports than we are receiving today, not only with no harm to our economy but also with actual benefit.

### **Trade Restrictions**

One legacy of war in the forefront of this Conference is the practice of most countries in the world to use not only tariffs to limit imports but also such other devices as quotas, exchange controls, and embargoes. Some countries used these protective methods even before the war. Others during the war period found such devices necessary to protect their limited supply of foreign exchange by stringently restricting both the volume and character of imports. The United States controls imports chiefly through the tariff.

What we are seeking to do here, said Mr. Clayton, is to recognize that use of these protective devices for guarding foreign-exchange balances was a war and immediate post-war problem and to discontinue that method of controlling imports and controlling international trade as quickly as possible.

### **Opening of Trade Negotiations**

Reporting on the gratifying progress made in scheduling trade negotiations, Mr. Wyndham-White, who is executive secretary of the Preparatory Committee of the Conference on Trade and Employment, pointed out that out of 120 different trade negotiations possible between countries present, four fifths or 96 had already been scheduled. Twenty-four of these negotiations are scheduled to open in April, 48 during the first and 24 during the second half of May. "Opening of negotiations" means that offers are exchanged between negotiating teams of the two countries involved. Following the study of these offers, the teams proceed with actual negotiations.

### **U.S. Schedule for Negotiations**

The schedule for the 15 negotiations in which the United States is involved includes opening of negotiations on April 23 with Australia, Canada, Czechoslovakia, and the United Kingdom; on April 24 with France; on April 28 with Chile, India, and South Africa; on April 30 with Brazil and New Zealand; on May 2 with Norway and Lebanon-Syria; on May 9 with China and Belgium-Netherlands-Luxembourg; and on May 12 with Cuba.

**May 11, 1947**

### **ITO Charter Discussions**

Because of the involved and extensive character of the trade negotiations, the Preparatory Committee wished to get them under way before detailed discussion of the ITO charter was begun. Charter discussions are now scheduled to begin formally on May 15.

### **Election of Vice Chairmen of Preparatory Committee**

Because of the heavy volume of conference work, the Preparatory Committee has elected five vice chairmen to assist Max Suetens of Belgium, who was elected at the opening meeting. Erik Colban of Norway is first vice chairman, and Sir Raghavan Pillai of India is second vice chairman. The others are Zdenek Augenthaler of Czechoslovakia, Sergio Clark of Cuba, and L. D. Wilgress of Canada.

### **Negotiations Proceeding**

The trade discussions must naturally be carried on in secrecy between the governments concerned. Revealing offers requested or made of the United States would of course destroy our negotiating position and prejudice the success of the negotiations. However, the air is full of rumors and comments, most of them bearing little relation to fact. And meanwhile negotiations are proceeding.

### **U. S. INVITES SIXTY-TWO NATIONS TO INTERNATIONAL STATISTICAL INSTITUTE**

[Released to the press April 28]

The Department of State has extended invitations to 62 governments to send official delegations to the 25th session of the International Statistical Institute. The Department has also invited the governments of 21 American nations to send delegates to the first session of the Inter-American Statistical Institute. These organizations will meet in Washington from September 6 to 18, 1947. The World Statistical Congress, which is being convened by the Economic and Social Council of the United Nations, is to be held during the same period in Washington.

For more than 60 years the International Statistical Institute has held biennial sessions at the invitation of various governments. Conforming to tradition, President Truman has accepted the honorary chairmanship of its twenty-fifth session.

In the past the Institute has been a vital force in the development of international statistics. However, with the establishment of a Statistical



Commission by the Economic and Social Council of the United Nations, designed to effect a world statistical system, integrating related agencies and organizations, the International Statistical Institute is considering assuming the role of an international professional statistical society.

The first session of the Inter-American Statistical Institute, an organization which grew out of discussions at the Eighth American Scientific Congress in 1940, will also be held under the official sponsorship of the United States Government. This organization originally comprised members of the International Statistical Institute in the Western Hemisphere, but, as an instrument for the development of statistical science and administration throughout the Americas, it has gained the official membership of nearly all of the American governments.

The nations invited to this meeting are as follows: Argentina, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, El Salvador, Ecuador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay, and Venezuela.

The countries invited to send delegates to the International Statistical Institute's twenty-fifth session include, besides the American nations listed above, the following: Afghanistan, Australia, Austria, Belgium, Burma, China, Czechoslovakia, Denmark, Egypt, Eire, Ethiopia, Finland, France, Greece, Hungary, Iceland, India, Iran, Iraq, Italy, Lebanon, Liberia, Luxembourg, the Netherlands, New Zealand, Norway, Republic of the Philippines, Poland, Portugal, Rumania, Siam, Saudi Arabia, Sweden, Switzerland, Syria, Turkey, Union of South Africa, U.S.S.R., the United Kingdom, Yemen, and Yugoslavia.

The World Statistical Congress is being held by the United Nations to discuss the statistical problems which a representative assembly of statisticians consider to be most worth while for study by the Statistical Commission and the Statistical Office of the United Nations. The interrelationships among the statistical activities of the United Nations, its specialized agencies—such as the International Labor Organization, the Food and Agriculture Organization, and the International Civil Aviation Organization—and the non-governmental organizations will also be discussed at the Congress.

The American Statistical Association will be the

host society. Willard L. Thorp, Assistant Secretary of State for economic affairs and president of the Association for 1947, is chairman of the committee which is planning the Association's participation in the Washington sessions.

Other organizations meeting at the time of the Congress will be the Econometric Society, an international organization concerned with the measurement of economic phenomena, and a group which is organizing an international income conference.

## **U.S. DELEGATION TO TWELFTH CONGRESS OF UNIVERSAL POSTAL UNION**

[Released to the press May 21]

The Secretary of State announced on May 2 that the President has approved the composition of the United States Delegation to the Twelfth Congress of the Universal Postal Union which is scheduled to be held at Paris, beginning on May 7, 1947. The nominations were submitted by the Secretary of State, George C. Marshall, upon the recommendation of the Post Office Department. The United States Delegation is listed as follows:

### *Chairman*

Frank Pace, Jr., Executive Assistant to the Postmaster General, Post Office Department

### *Vice Chairman*

John J. Gillen, Acting Second Assistant Postmaster General, Post Office Department

### *Delegates*

Frederick E. Batrus, Attorney, Office of the Solicitor, Post Office Department

Mary Ellen Crosby, Administrative Assistant to the Second Assistant Postmaster General, Post Office Department

Frank J. Delany, Solicitor, Post Office Department

Bernard F. Dickmann, Postmaster, St. Louis, Missouri

James J. Doran, Chief Post Office Inspector, Post Office Department

Franziska M. Jonas, Secretary, Post Office Department

Everett W. Leonard, Assistant Chief of Section, International Postal Transport, Post Office Department

Edward J. Mahoney, Director, Foreign Air Postal Transport, Post Office Department

### *Advisers*

William O. Hall, Adviser, Division of International Organization Affairs, Department of State

Frances H. Lafferty, Divisional Assistant, Telecommunications Division, Department of State

### *Interpreter-Translator*

Michael E. Robles, Translator, New York Post Office

The United States Government has been a member of the Universal Postal Union and has partici-

pated in its activities since the establishment of the Union in 1874.

The Universal Postal Union, which was established to assure the organization and perfection of various international postal services, held its Eleventh Congress at Buenos Aires in 1939. The Twelfth Congress was originally scheduled to be held in 1944 but was postponed because of the war.

At its forthcoming meeting the Congress will consider propositions and proposed changes in the convention of the Union which have been submitted to the Bureau of the Union at Bern and have been circularized to countries which are members of the Union. It is expected that questions relating to membership in the Union, involving new members or adherences, will be discussed. A proposed agreement between the Universal Postal Union and the United Nations to regulate the relationship between these two bodies will also be considered.

#### **INTERIM ASSEMBLY TO ORGANIZE RADIO TECHNICAL COMMITTEE FOR MARINE SERVICES**

[Released to the press April 28]

The Department of State has invited certain Government agencies and shipping and other marine groups to serve on an interim "assembly" which will organize a Radio Technical Commission for Marine Services (RTCM) at a meeting to be held in Washington on May 12, 1947.

The RTCM will have the same relation to the maritime field that the present Radio Technical Commission for Aeronautics (RTCA) has to aviation. As a Government-industry group, it will study marine problems and make coordinated recommendations respecting radio devices and procedures to aid navigation and safety at sea.

Because of the immediate need for a functioning organization to meet demands imposed by the International Meeting on Marine Radio Aids to Navigation, opening at New York City on April 28, 1947, and the World Telecommunications Conference, convening at Atlantic City on May 15, 1947, a *pro tem.* RTCM Executive Committee has been serving preparatory to the formulative meeting which will elect officers, adopt a constitution and by-laws, and outline immediate problems.

The organizational assembly will be held on the eleventh floor of the War Manpower Building, 1778 Pennsylvania Avenue NW., starting at 10 a. m. Organizations which have not received in-

itations to participate and are interested in marine telecommunications are welcome to attend.

Developments have introduced problems in marine as well as other forms of radiocommunication. There is not sufficient radio-frequency space to accommodate the host of new marine radio navigation aids which perform the same function. In the interests of standardization, some choice must be made before ship operators can put them to use. This choice has international as well as national implications.

The United States undertook to study this situation when in May 1946 the United Kingdom invited the leading maritime nations to a preliminary discussion of the application of new radio aids to marine navigation. This meeting emphasized the need of a United States organization to coordinate and crystallize the thinking of the Government and private groups concerned.

Immediately upon the return of the United States Delegation from London, there was formed an *ad hoc* committee on which Rear Admiral Merlin O'Neill, United States Coast Guard, served as chairman. Meanwhile, the Department of State stimulated the formation of a representative organization which could give the subject wide technical study in order that the United States would have satisfactory data and make consolidated recommendations on which to base proposals for sound solution. Several open meetings, attended by representatives of both Government and industry, were held to lay the groundwork and draft a constitution and by-laws patterned to those of the RTCA.

The proposed RTCM constitution provides for a general membership known as the Assembly, composed of United States organizations which are active in phases of marine telecommunications, including shipping operations. It provides further for an executive committee, or administrative body, comprising delegates named by the participating Federal agencies and industry organizations.

The RTCM organizational agenda calls for three officers only—a chairman, a vice chairman, and a secretary. J. H. Dellinger of the National Bureau of Standards has been serving as temporary chairman, Commissioner Edward M. Webster of the Federal Communications Commission as vice chairman *pro tem.*, and Lt. Comdr. L. E. Brunner of the United States Coast Guard as secretary.

### President of Mexico Welcomed Upon Arrival in U.S.

#### GREETING BY PRESIDENT TRUMAN<sup>1</sup>

MR. PRESIDENT, DISTINGUISHED GUESTS, AND FRIENDS:

It is an especial pleasure for me to greet you here in Washington, Mr. President, as the guest of the Government and people of the United States. It gives me the deepest personal satisfaction to do this, and in extending a welcome to Your Excellency I greet you not only as the President of the United Mexican States but as a man whom I have come to know and value as a personal friend.

The people of this country followed closely each of the many acts of genuine hospitality that were extended to me as their Chief of State during my visit to Mexico a few weeks ago. They interpret your many kindnesses to me, not only as an example of the whole-hearted Mexican hospitality that thousands of our visitors to your country have experienced but also as a symbol of the relationship

between the friendly people of two neighboring countries.

The nations of this hemisphere are confronted today with problems of many kinds, some affecting the two American continents and serious in their import to the well-being and happiness of our Western World, and others that influence our actions as individual republics. We can all do much to raise the living standard of the hemisphere and of the world by increasing our production of food-stuffs and of raw materials needed by industry, and by improving the distribution of these products, in the spirit of our inter-American association.

We have, as a group of free nations, the moral strength, and moreover have the proved good-will of our several countries, to find equitable and peaceful solutions to differences of any nature that arise among us who live in the New World. One can find no better testimony of this than the manner in which the peoples of Mexico and the United States are living side by side today.

The people of every State of the Union have asked, by means of letters and telegrams to me, to their Congressmen, to civic organizations, and to the press, that this Government endeavor to the best of its ability to reciprocate the most hospitable welcome that you and the Mexican people extended six weeks ago to me and through me to the people of the United States. My small part in carrying out this mandate will be one of the happiest events of my tour of office. We want to show you the full extent of our appreciation of your visit to our country and of our determination to perpetuate friendship with the great Mexican nation.

In welcoming you today to Washington, I express to Your Excellency and to the distinguished members of your party the sincere hospitality of the people of the United States.

<sup>1</sup> Address of greeting delivered on Apr. 29, 1947, at the National Airport in Washington, upon the occasion of the arrival of Miguel Alemán, the President of Mexico.

A full report of the visit was broadcast throughout the world in 25 languages over the short-wave facilities of the Voice of the United States of America.

The International Broadcasting Division cooperated with the Columbia Broadcasting System and the National Broadcasting Company in elaborate arrangements for immediate broadcasts to Mexico of the President's visit and in the recordings of documentary programs on the high lights of his tour. These recordings were short-waved by the Voice of the United States of America throughout Latin America during the evening listening hours. News summaries of the President's visit were broadcast by short wave to other parts of the world at various times during his stay.

President Alemán's speech to a joint meeting of Congress on May 1 was broadcast immediately to Mexico and re-broadcast by short wave that evening to the other American republics. Ceremonies at the dinner of the Pan American Society of New York on the evening of May 2 were broadcast direct by short wave throughout Latin America.

## Planned Stabilization of Rate of Exchange Between U.S. and Mexico

### JOINT STATEMENT BY THE PRESIDENT OF THE U.S. AND THE PRESIDENT OF MEXICO<sup>1</sup>

During the conversations that have taken place in Washington as a continuation of those begun in Mexico in March of this year, the Presidents of the United Mexican States and of the United States of America have had an opportunity to ratify in the friendliest spirit their common purpose to further develop, for the reciprocal benefit of their peoples, the cordial relations existing between the two Republics.

Recognizing that one of the most important and practical methods of strengthening the policy of solidarity of the two Nations is undoubtedly a program of cooperation to solve the complex economic problems of the present post-war period, both Chiefs of State have agreed that their respective administrations must exert all efforts to raise the standards of living in their countries by increasing productivity and, consequently, the purchasing power of their peoples.

To this end the Presidents of the United Mexican States and of the United States of America are pleased to announce that they concur in the desirability of signing a new agreement to stabilize the rate of exchange between the peso and the dollar.

In addition, the Export-Import Bank of Washington is prepared to approve additional credits to Mexico to assist in financing a number of projects laid before it by the Mexican Government—projects which are designed to make the greatest and earliest contribution to the economy of Mexico.

Other important aspects of the program of economic cooperation between the two Republics are under study.

In issuing this statement both Chiefs of State express their satisfaction with the great cordiality attained in the relations of the peoples they represent, and both, inspired by the ideals of good neighborliness and by mutual and full under-

standing of their problems, reaffirm their decision to strengthen the bonds of the inter-American community.

## President of Mexico Awarded Legion of Merit

*The following citation accompanied the award of the Legion of Merit degree of Chief Commander to Miguel Alemán, President of Mexico, during a White House dinner in his honor on May 1, 1947*

His Excellency Miguel Alemán, President and Commander-in-Chief of the Armed Forces of Mexico, has displayed unswerving friendship to the United States and to the ideals of the Good Neighbor Policy, the success of which he has done so much to assure. His eagerness to enhance the bonds of friendship between Mexico and the United States and his strong backing of the progressive and liberal foreign policy of his government have established a shining pattern of the spirit which is making Pan Americanism the true brotherhood of the nations of America.

## Tax Treaty Negotiations With Mexico

[Released to the press May 2]

Arrangements have been made for an American Delegation to visit Mexico in the latter part of June of this year to conduct *ad referendum* negotiations looking to the conclusion of treaties between the United States and Mexico for the avoidance of double taxation and for administrative cooperation in prevention of tax evasion with respect to income taxes and to taxes on estates of deceased persons.

The discussions are expected to result in the preparation of draft treaties which will be submitted by the negotiators to their respective governments for consideration with a view to signing.

In preparation for the negotiations, the American Delegation will welcome conferences with interested parties or statements and suggestions from them concerning problems in tax relations with Mexico. Communications in this connection should be addressed to Eldon P. King, Special Deputy Commissioner of Internal Revenue, Bureau of Internal Revenue, Washington 25, D.C.

<sup>1</sup> Released to the press simultaneously by the White House in Washington and in Mexico City on May 1, 1947.

## Signing of Aviation Agreement With Argentina

[Released to the press May 1]

The Department of State announced on May 1 the signing of a bilateral aviation agreement with Argentina incorporating the Bermuda principles. Final determination of the routes to be flown by the air lines of the two countries will be worked out by subsequent agreement.

James M. Landis, Chairman of the Civil Aeronautics Board, as the personal representative of the President, with temporary rank of Minister, negotiated this agreement in Buenos Aires in collaboration with Ambassador Messersmith. They were assisted by John O. Bell and Thomas T. Carter of the Aviation Division of the Department of State. The full text of the agreement will be released after Mr. Landis' return to Washington.

## Merchant Marine Academy To Train Students From Other American Republics

The President on May 1 named 11 young men from other American republics to receive the four-year course of instruction at the United States Merchant Marine Academy, Kings Point, New York, beginning July 1, 1947.

The successful candidates are expected to arrive in Washington during May. Before reporting to the Academy they will attend the orientation school maintained under Department of State auspices at Wilson Teachers College, Washington, D.C. The Department of State, through its Division of International Exchange of Persons, has cooperated in the arrangements for awarding the scholarships and facilitating the arrival in this country of the 11 cadet-midshipmen.

A limited number of cadet-midshipmen from the other American republics are authorized to serve in the United States Merchant Marine Cadet Corps following their nomination by the President to the chairman of the United States Maritime Commission.

During the training period the midshipmen selected will be subject to all the requirements and regulations applying to cadet-midshipmen from the United States; however, such graduates shall not be entitled to appointment to any office or position in the United States Merchant Marine by reason of their graduation from the Academy.

The course of training consists of 12 months as a fourth-classman and approximately 1 year aboard a merchant or training vessel which gives the cadet-midshipman an opportunity to learn at first hand about the ships upon which he will serve as an officer, correlated with a prescribed course of study designed to prepare the cadet-midshipman for his last 2 years at the Academy.

Argentina, Brazil, Chile, Colombia, Cuba, Ecuador, Panama, Paraguay, Peru, Uruguay, and Venezuela will be represented at the Academy by the cadet-midshipmen designated by the President. Appointment of a Mexican cadet-midshipman will be announced at a later date.

## Sweden Releases Statement on Import Restrictions

[Released to the press May 3]

With reference to the current trade discussions in Washington on the Swedish import restrictions placed in effect on March 15, 1947, the Swedish Legation has informed the Department of State that the Swedish Government is making public in Stockholm a statement concerning the treatment to be accorded goods on order or en route at the time of the imposition of the restrictions.

The statement of the Swedish Government, after pointing out that certain commodities were already covered by import restrictions prior to March 15, 1947, repeats the substance of a previous announcement that no import licenses will be required for goods on the so-called free list, nor for goods loaded on board ship or other means of transport by March 20, 1947, nor for goods for which full payment had been made on or before March 15, 1947.

The Swedish Government then states that licenses will be granted for the import of all commodities which were placed under import restrictions on March 15, 1947, provided that the Swedish importer when applying for an import license establishes the following facts:

(1) that a *bona fide* contract contemplating delivery prior to October 1, 1947, had been entered into on or before March 15, 1947, and

(2) that the delivery in Sweden of the goods mentioned in the contract will be effected before October 1, 1947.

The announcement of the Swedish Government further provides that in the special case of con-

tracts placed on or before March 15, 1947, providing for periodic deliveries, favorable consideration will be given only to that part calling for deliveries prior to October 1, 1947.

The Swedish Government also gives assurances that license applications for goods ordered on or before March 15, 1947, for delivery after October 1, 1947, will be given favorable consideration if the exporter had, by March 15, 1947, already commenced production in accordance with specifications which render the product not easily disposable elsewhere.

It is suggested by the Swedish Government that American exporters make sure that a Swedish import license, when required, has been granted, before shipping their goods to Sweden. With this end in view the American exporter should obtain the number of the Swedish import license from the Swedish importer.

In case an American exporter has difficulty in furnishing his Swedish correspondent with the information required for the procuring of an import license, as set forth above, the field offices of the Department of Commerce are being instructed to render such assistance as is appropriate in the assembling of the required information, and in its transmission to the American Legation at Stockholm, which will be prepared to present the case of the American exporter to the appropriate authorities of the Swedish Government.

## Progress of Swedish Trade Talks

[Released to the press May 11]

The Legation of Sweden has informed the Department of State that Envoye (Minister) Dag Hammarskjöld, who has been taking part in the discussions between the Governments of Sweden and the United States concerning the problems arising from the imposition of import restrictions on March 15, 1947, by the Swedish Government was to return to Sweden on May 3 for the start of financial talks with representatives of the United Kingdom.

Mr. Hammarskjöld is able to return to Sweden at this time because of the satisfactory progress which has been made in the discussions in Washington. It is expected that he will be back in Washington in approximately 10 days for the conclusion of talks with the United States Government. In the meantime the trade discussions with

the other Swedish representatives in Washington will continue.

A satisfactory understanding has been reached with the Swedish representatives concerning the treatment to be accorded American goods on order in the United States or en route to Sweden as of March 15, 1947. A statement on the understanding is now being drafted and will be released as soon as possible.

## Claims for American Property Confiscated in the Netherlands

[Released to the press April 28]

At the time of the liberation the Netherlands Government assumed control of a number of organizations which had been established by the Germans to confiscate property in the Netherlands. The procedure to be followed by American nationals in attempting to recover property which had been confiscated by one of those organizations, Deutsche Revisions- und Treuhand A.G., was described in the BULLETIN of April 6, 1947, p. 632.

The custodians of Lippmann, Rosenthal & Co., Sarphatistraat, Amsterdam, have also issued notices advising persons whose property was confiscated by that agency to present claims. That agency was used by the Germans to confiscate Jewish property. A small part of the confiscated property is still held by the custodians, and will be restored upon proper identification. Owners of property which was sold, or which cannot be identified, may file claims with the custodians to share in the fund which will be realized from the liquidation of the assets of the agency. The custodians by notice dated January 2, 1947, announced that the heirs of a person who had an account with the organization and whose death has been officially proved are also authorized to file claims.

## William L. Clayton to Economic Commission for Europe

The Senate on April 25, 1947, confirmed the nomination of William L. Clayton, Under Secretary of State for Economic Affairs, to be the representative of the United States of America in the Economic Commission for Europe established by the Economic and Social Council of the United Nations on March 28, 1947.

## U.S. Reiterates Objection to Treatment of American Correspondent in Spain

### EXCHANGE OF NOTES BETWEEN AMERICAN CHARGÉ D'AFFAIRES AT MADRID AND SPANISH FOREIGN MINISTER

[Released to the press May 2]

*Texts of notes exchanged by the Foreign Minister of Spain and the American Chargé d'Affairs at Madrid, dated April 14, 1947, and April 28, 1947, respectively, concerning the action of the Spanish Government in withdrawing press credentials from Francis E. McMahon, correspondent in Spain from the New York Post*

[Translation]

#### MINISTRY OF FOREIGN AFFAIRS

MADRID, April 14, 1947.

MR. CHARGÉ D'AFFAIRES: In reply to your amiable Note of April 7, I am pleased to confirm to you in writing what I told you orally on the 11th of the same month, after having informed myself carefully from the Press Services concerning the background of the matter.

#### I

It was only through a special consideration, because there was involved an American citizen and because the Embassy of the United States in Madrid had intervened in his favor, that the newspaperman Mr. McMahon was given permission last August to enter Spain, in spite of the reports which were given of him in certain Catholic circles in the United States, which reports showed him as a person very *apasionada* in politics with prejudices against Spain and, as a result, having very little objectivity in his newspaper work.

During six months Mr. McMahon has enjoyed full and complete liberty to circulate throughout Spanish territory and to send in his articles without any hindrance to the paper by which he was sent. Tolerance has also been demonstrated because, in spite of the fact that Mr. McMahon was only accredited as correspondent of the New York *Post*, of New York, his work has appeared in the press of other countries, especially in the French press and in that of some Spanish-American countries.

Styling himself a reporter on Spanish life, Mr. McMahon, who is a Catholic, has, however, not

been interested in saying anything to his readers regarding any of the numerous aspects of the Spanish Catholic resurgence which has been noted in the past few years, nor concerning the intense cultural activity of the new Institutions, nor concerning the great legislative reforms of a Christian character which have been introduced in the world of labor and the progress which has been attained in social directions, nor with regard to Spanish literature, Spanish art and the customs and feasts of Spain.

During these six months in which he has sent to his paper as many articles as he wished to write, Mr. McMahon, systematically and repeatedly, has devoted himself in almost all of them, in a preferential manner, to speculations regarding the poverty of the humble classes which is not superior, in fact much less, than that which in a period of world crisis may be undergone by the poor of any other nation; he has preferred to refer in a systematic manner to the population of the jails, in spite of the fact that in both numbers and quality it is comparable to that of the period 1920-1931 and it is treated with a greater human consideration than it may be in many other countries; he has imaginatively exaggerated alleged separatist inclinations of Basques and Catalans; he has deduced the most offensive comparisons from the limitations prevailing in certain public liberties, although the said legal dispositions have not prevented him from moving at his will throughout the country and from writing freely in a manner which would not have been permitted in other countries.

Mr. McMahon has given a poor return to the very ample freedom which the Spanish Government grants to all foreign correspondents in order that they may report to their readers. There are many of his articles in which there are gathered up in lightness of spirit street fabrications, rumors, fantasies or simple expressions of opinion derived from any ignorant person, almost always unnamed. In almost no case, as it is the essential



duty of the newspaperman, has Mr. McMahon taken care to investigate the veracity of his reports or to indicate the quality of his sources of information.

The tendentious manner in which certain true facts are reported; the obstinacy with which he has fled from trustworthy sources of information in order in reiterated fashion to search after the most discredited sources; and finally, the lack of objectivity which has even induced him to transmit an incitement to foreign countries to intervene in Spain (article published in the *New York Post* of March 16, 1946) remain very evident as one reads the articles sent in by Mr. McMahon.

## II

With these antecedents, there having been proved the bad use which Mr. McMahon had made of the freedom granted him for the exercise of his profession and his lack of informative objectivity, and although through a bureaucratic error (due to the accumulation of work on the eve of Holy Week and the customary vacations) three days before his permit had been automatically extended when it expired, as the Embassy recognizes, on March 24, the General Direction of Press, on the 27th of that month, cancelled the aforesaid extension, informing Mr. McMahon that his *carnet* would not be renewed.

I take pleasure, therefore, in repeating that the deduction which the Embassy under your worthy direction makes to the effect that the measure adopted by the General Direction of Press was specifically due to the transmission of an article by Mr. McMahon on the 26th of the aforesaid month of March is not exact; that article was held up because the *carnet* had expired as of the 24th.

## III

Neither the examination of the documents in this file nor the oral explanations given by Mr. McMahon in your presence in our interview of April 11 produced any reasons which might justify on the part of this Ministry an approach to that of National Education in order to review the measure taken by it of not extending Mr. McMahon's correspondent's *carnet*. That measure, far from being of a singular character, is only the legitimate exercise of a legal right of the Government when one considers that an entrance visa for a foreigner, the granting of a *carnet* and its eventual extension are in Spain, as in other coun-

tries, completely within the free will of the administration.

## IV

There is no foundation for deducing that the fact of not extending the *carnet* of Mr. McMahon can imply any rectification in the firm and proven criterion which the Spanish Government maintains to assure without any censorship or control complete liberty of behaviour for foreign correspondents duly accredited in Spain. On the contrary, a proof of the said criterion is the fact that during six months that freedom has been fully respected until the expiration of the permit in the case of a newspaperman who had used it in order to be ignorant of and to belittle the country and its Government.

At the present time there are in Spain the following American newspapermen, none of whom have had the least obstacle in the carrying out of their mission: Arnot Dosch-Fleuret, of the *Christian Science Monitor*; Frank Breese, director of the United Press; Tom Allen, subdirector of the United Press; Alburn West, director of the Associated Press; Karl Hartman, subdirector of the Associated Press; Sam Pope Brewer, of the *New York Times*; Homer E. Knoblough, of International News Service; Anne Allen, of *Lady's Home*.

Also there have been recently in Spain: Arthur E. Vesey and his wife, of the *Chicago Tribune*; Miss Rita Hume, of the North American Newspaper Alliance; and Mrs. Marie Hansen and her husband David N. Nussbaum, of *Holiday*.

In addition to these, and in the last two years, the following gentlemen have exercised their profession in Spain without any difficulty: Ralph Forte, of the United Press; Paul Kennedy, of the *New York Times*; Peter Carroll, photographer of the Associated Press; Anne Stadler, of the I.N.S.; Henry Wales, of the *Chicago Tribune*; C. L. Sulzberger, of the *New York Times*; Charles Foltz, of the Associated Press; Kingsbury Smith, of the I.N.S.; Sheila Baker, of the *News Week*; L. A. Brown, London director of the *New York Times*; Herbert M. Clark, of American Broadcasting Company; Alan Herman, of the Columbia Broadcasting; Carl Howard, of the Associated Press; Larry Rue, of the *Chicago Tribune*; Georgia Long, of the Spanish Evidence Guild; L. Mackenzie, of the Associated Press; Katherine Margaret Maher, of the *New York Times*; Marion J. Fri; John Nevin, of the Associated Press; Don-



ald B. Robinson; Ione Rovington, of the *Saturday Review*; Edward Paddock Morgan, *Calles Weekly*; Paul Palmer, of the *Reader's Digest*; Sam Boales, of the *New York Post*; Peter Whitney, of the *Chicago Sun*; Carl Wiegand, of the Hearst Press; John A. Thale, of the *Chicago Daily News*; Constantine Brown, of the *Evening Star*; and possibly a few more.

The evidence in this case being so clear, I hope with foundation that the Government of the United States which, as you tell me, has been interested in the matter, will find justified the correct and serene attitude of the Spanish Government, not attributing greater importance to the matter involved.

I take [etc.]

ALBERTO MARTÍN ARTAJO

*The American Chargé d'Affaires at Madrid to the Spanish Foreign Minister*

April 28, 1947.

EXCELLENCY: I have received Your Excellency's note of April 14 in reply to mine of April 7 regarding the withdrawal of press privileges in Spain of the American correspondent, Dr. Francis E. McMahon. While I appreciate the attention which you personally have given to this matter, I cannot but reiterate my regret at both the manner in which Dr. McMahon was treated and at the decision which was finally reached. Your note suggests certain additional considerations.

The question, as I see it, is not one of whether the Spanish Government or any organism thereof insists that Dr. McMahon has not reported objectively with regard to conditions in Spain. It would obviously be impossible to maintain the policy which the Spanish Government announced two years ago of granting to foreign correspondents freedom from control and censorship and at the same time to demand of these correspondents a type of reporting which would be considered objective to those organisms of the Spanish Government which control and censor the Spanish press. More than one of the correspondents whom you list in your note have been publicly attacked in the official newspaper of the Spanish Government *Arriba*, for lack of objectivity and yet the policy of freedom from control or censorship for foreign correspondents was maintained in their cases.

You will, therefore, I am sure, understand the justice of the conclusion which the Department

of State has reached to the effect that the aforesaid policy no longer prevails.

I also note that Your Excellency considers mistaken the deduction of this Embassy to the effect that the action taken in Dr. McMahon's case was specifically due to the contents of his telegram of March 26. That deduction was based upon the following:

(a) The fact that Dr. McMahon's press card was renewed on March 24 at his request, that the renewal was signed by the Director General of Press and that the carnet was specially sent to Dr. McMahon in Seville, all of which facts indicate that the renewal was duly considered by the highest authorities and not handled on any sort of routine basis.

(b) If the detention of Dr. McMahon's telegram of March 26 had been due to the fact that his press card was considered to have expired, it would be logical to suppose that he would immediately have been advised thereof. However he received no such advice until April 2. This indicates to me that it was the consideration of this particular telegram by the authorities which resulted in the decision taken against him.

(c) On the afternoon of April 3 Señor Cerro made a statement on the matter to a representative of the AP in which, according to the published report of the AP, he referred to one of the matters dealt with in the aforementioned telegram of March 26.

This reference would have been definitely out of place if the reason for holding up the telegram had been merely that Dr. McMahon's press card was considered invalid as of the date when the aforesaid telegram was filed.

(d) On April 3 I asked Señor Erice, Director General of Foreign Policy in the Ministry of Foreign Affairs, to ascertain the facts in the case. When I called upon him on April 5 he said that it was a very serious matter because there was involved an attack on Your Excellency. I had with me a copy of Dr. McMahon's telegram of March 26 which I showed to Señor Erice and at his request I left with him a translation of the particular item which he and I at that time believed was the one which had caused the action taken against Dr. McMahon. That item, quoted in full in my note of April 7, far from being an attack by Dr. McMahon was merely the report of

an attack by the periodical of an official organism of the Spanish Government.

I wish also to reiterate that, regardless of the decision reached by the Spanish Government in this matter and without in any way questioning the complete jurisdiction of that government in the field, the Department of State and this Embassy deeply regret the manner in which Dr. McMahon was treated by the press authorities of the Spanish Government. His telegram of March 26 was held up without notification to him and it was not until April 2 when he had already filed a second telegram that he was informed of a measure which, according to Your Excellency's note, had been decided on March 27, the day after the filing of the first of the aforementioned telegrams. This proceeding of the press authorities, besides being arbitrary and highly discourteous, caused Dr. McMahon's employer in the United States, the New York Post, serious concern because of their failure to receive any explanation for the non-arrival of their correspondent's regular weekly telegram. It contrasts most unfavorably with the treatment accorded Spanish correspondents in the United States.

PHILIP W. BONSALE

## Facts on U.S. Shipments of Bread Grain to France

[Released to the press May 11]

The Department of State is concerned about reports in the French press which represent the recently announced reduction in the French bread ration as in part resulting from a failure on the part of the United States to meet commitments regarding bread-grain shipments to France. In order to clarify the situation, the International Emergency Food Council, whose recommendations serve as a guide for programming of United States grain exports, was asked to advise on the facts. The Secretary General of I.E.F.C. reported to the Department as follows:

"The initial grain import program from all sources recommended by the International Emergency Food Council for metropolitan France and French North Africa taken together for the year July 1, 1946-June 30, 1947, amounted to 641,000 tons. This program was increased to 1,084,000 tons in revisions made during and subsequent to negotiations of the French Minister of Agricul-

ture, M. Tanguy-Prigent, in February 1947, with the International Emergency Food Council. In recommending the increase, the I.E.F.C. took into account the reported widespread winter killing of the French wheat crop and approved as feed for livestock 100,000 tons of the secondary grain which had previously been imported by France and used for this purpose. Known shipments from all sources up to February 1 as now recorded by I.E.F.C. total 573,000 tons, leaving 511,000 tons of the 1,084,000 to be obtained from all sources in the period February-June 1947.

"Toward meeting this balance of 511,000 tons from all sources, the United States has announced that it hopes to ship at least 459,000 tons of bread grains to metropolitan France and French North Africa between February and June of this year. This program, together with shipments now reported from other sources, would bring known shipments and declared programs to metropolitan France and North Africa to 1,087,000 tons for the crop year ending July 1, 1947, or a quantity slightly in excess of the International Emergency Food Council recommendation of 1,084,000 tons for that period. This total does not include any shipments from sources other than the United States which have not yet been reported or any others which may be made from these sources in May and June."

## Release of Summary and Recommendations of the American Economic Mission to Greece

The Department of State released on April 30 the Summary and Recommendations of the American Economic Mission to Greece.

The report consists of: a summary and recommendations; chapters on public finance, currency, banking and credit, international commercial and financial relations, Government administration, price, rent, and wage controls, reconstruction and development, industry and mines, agriculture, food and fishing, shipping, and foreign aid since liberation; and appendices.

The text of the summary and recommendations of the Mission will be printed in a supplement of the BULLETIN, entitled *Aid to Greece and Turkey*, dated May 4, 1947, which will be released at an early date (Department of State publication 2802).

## THE SUPREME ECONOMIC COUNCIL OF THE ALLIED AND ASSOCIATED POWERS, 1919

by Matilda F. Axton

*On May 4, 1947, the Department of State released Papers Relating to the Foreign Relations of the United States, The Paris Peace Conference, 1919, vol. X, containing the minutes of the meetings of the Supreme Economic Council from Feb. 17, 1919, to Feb. 7, 1920. This volume was compiled by Matilda F. Axton, under the direction of E. R. Perkins, Editor of Foreign Relations. Copies may be purchased from the Superintendent of Documents, Government Printing Office, Washington 25, D.C., for \$2.75 each.*

Prior to the signature of the German peace treaty, June 28, 1919, the Supreme Economic Council, which performed a large part of the detailed executive work of the Supreme Council, was mainly concerned with relief problems of the famine-stricken countries of eastern Europe and with the revictualing of Germany in accordance with the terms of the Armistice.

The economic control machinery of World War I was exercised by the Allied Maritime Transport Council, because in the circumstances of 1917 and 1918 transport was the controlling factor and the Supreme War Council was not in permanent session and therefore could not exercise continuity of supervision. That Council, created after the inter-Allied meetings of November–December 1917, held its first meeting in March 1918 and thereafter met three times before the Armistice. The Allied Maritime Transport Executive, established in London, exercised day-to-day control with the assistance of a tonnage committee, a ship-purchasing committee, and an imports committee. Various program committees and executives were engaged in more immediate control of production and purchase of such items as leather, hides, and wool; others operated under the Allied Munitions Council, the Allied Food Council, the Wheat Executive, Oil-Seeds Executive, Meats and Fats Executive, and Sugar Programme Committee. Because the United States was the main source of supply, a vitally important body was the Allied Council on War Purchases.

With the termination of hostilities, various plans were presented regarding the control of the economic position during the Armistice period. The members of the Allied Maritime Transport Council brought before their respective governments the recommendation that their Council be converted into a General Economic Council with certain extensions and changes of personnel. The British Government took the initiative and on November 13, 1918, transmitted an official communication to the Governments of the United States, France, and Italy suggesting the revision of the representation and functions of the Allied Maritime Transport Council. The United States Government, however, took the view that war organizations should be discontinued and the problems of the Armistice should be handled by appropriate new machinery. As a result of prolonged discussions during December 1918, an Allied Supreme Council of Supply and Relief was created. The new Council, restricted to one not clearly separable part of many economic problems facing the Allies, proved ineffective.

The Supreme Council on February 8, 1919, adopted a proposal, presented by President Wilson, for the establishment at Paris of a Supreme Economic Council to meet the need for more satisfactory machinery to coordinate economic affairs. This Council was given the power to absorb or replace such other existing inter-Allied bodies and their powers as it might be necessary. It was to be composed of not more than five representatives of each interested Government.

The Supreme Economic Council at its first meeting February 17, 1919, decided that the Allied Maritime Transport Council, the Inter-Allied Food Council, the Allied Supreme Council of Supply and Relief, the Programme Committees, and the Superior Blockade Council should retain their powers but should report their decisions regularly to the Supreme Economic Council. A Food Section, under the chairmanship of Herbert Hoover as Director General of Relief, assumed the functions of the Allied Supreme Council of Supply and Relief and the Inter-Allied Food Council. The Allied Maritime Transport Council continued as the Maritime Transport Section, with J. A. Salter (British), as chairman, succeeded later by Kemball Cooke (British). The Supreme Blockade Council became the Blockade Section, adopting the title of Superior Blockade Council; Vance McCormick was chairman. The new sections for finance, communications, and raw materials were under the chairmanship of Norman H. Davis, Gen. H. O. Vance (British), and Bernard M. Baruch, respectively.

The most difficult work of the Supreme Economic Council arose out of the handling of economic relations with Germany during the Armistice period. The Supreme Economic Council on April 14, 1919, provided for a subcommittee on Germany in Paris to coordinate the decisions of its commissions and sections with regard to Germany and to act as a channel of communication on economic matters to and from the Germans. The only direct communication was through the Armistice Commission at Spa. On April 21, 1919, the Supreme Council agreed to the proposal of the Supreme Economic Council that a German commission be established at or near Paris to facilitate economic negotiations. Although some German communications continued with the Armistice Commission at Spa, the greater part of the economic negotiations thereafter took place at Versailles, the headquarters of the German Economic Commission.

Article XXVI of the Armistice agreement of November 11, 1918,<sup>1</sup> provided in effect that, although the blockade of Germany would be maintained in principle, the Allies and the United States would permit the provisioning of Germany during the Armistice to the extent that would be considered necessary. The agreement, however,

contained no provision for the surrender to the Allies of the German merchant fleet. The stringent tonnage situation which developed in the early months of 1919 necessitated the immediate putting into use of these German vessels for the transport of relief supplies. Negotiations for their surrender were conducted; a clause in the agreement of January 16, 1919, renewing the Armistice,<sup>2</sup> and the Trèves agreement of January 17, 1919,<sup>3</sup> provided that Germany should be enabled to import food subject to the provision of the requisite finance.

Protracted negotiations then took place at Spa and Trèves regarding the conditions of supply of food to Germany, the terms of transfer of the ships, and the method of payment for the food. Delays arose over the German refusal to hand over the ships without first receiving a guaranty from the Allies of a definite quantity of food before the harvest. These difficulties were finally settled by the Brussels agreement, March 13-14, 1919,<sup>4</sup> under which deliveries of food were made to Germany to the end of August 1919. The transfer of the ships began on March 22, 1919, and proceeded expeditiously.

Control of economic affairs in the occupied territory of the Rhineland became one of the most important functions of the Supreme Economic Council. The four zones in the Rhineland occupied by the American, British, French, and Belgian Armies had been arbitrarily defined with no relation to the social and economic structure of the country. The four Army Commands dealt not only with problems primarily of a military character but also with problems directly economic or affecting only the German civil administrations. In addition to the Inter-Allied High Command, a large number of inter-Allied commissions were also dealing with specific economic questions on the left bank of the Rhine. Recognizing the fact that economic questions affecting the occupied zones could not be handled efficiently by so

<sup>1</sup> *Foreign Relations*, The Paris Peace Conference, 1919, vol. II, pp. 1, 6. (Department of State publication 1823.)

<sup>2</sup> *Ibid.*, pp. 11, 15.

<sup>3</sup> *Der Waffenstillstand 1918-1919, das Dokumenten-Material der Waffenstillstands-Verhandlung von Compiègne, Spa, Trier und Brüssel*, herausgegeben im Auftrage der Deutschen Waffenstillstands-Kommission mit Genehmigung des Auswärtigen Amtes (Berlin, 1928), band 2, p. 37.

<sup>4</sup> See David Hunter Miller, *My Diary at the Conference of Paris*, vol. XVII, pp. 197-214.

many competing authorities, the Supreme Council, on April 21, 1919, approved recommendations of the Supreme Economic Council to the effect:

"1. That an Inter-Allied Commission, consisting of four Commissioners, one from each Ally concerned with the administration of the occupied territories, should, together with an Italian liaison officer, be set up with full authority to coordinate the administration of the four Army Commands on all economic, industrial, and food questions, in accordance with the policy laid down from time to time by the Supreme Economic Council.

"2. That orders should be issued under authority of the Supreme War Council to the Army Commands in the various areas, that directions given by the Commission shall be uniformly executed throughout the whole area."

In accordance with this decision of the Supreme Council, the Inter-Allied Rhineland Commission was set up at Luxembourg and later at Coblenz, with Paul Tîrard, the French Commissioner, as President. Pierrepont B. Noyes was appointed to act as the American Commissioner.

The Supreme Economic Council established, or brought under its authority, relief missions in Austria, Czechoslovakia, Hungary, Rumania, Serbia, Poland, the Baltic States, south Russia, and Turkey. It also set up a special mission at Trieste to supervise and expedite deliveries to Austria and other states.

In his final report to the Supreme Council, September 3, 1919, Mr. Hoover stated that a total of 3,955,110 tons of foodstuffs and clothing of the value of \$968,338,222 from the various Allied and Associated Governments had been distributed by his organization between December 1, 1918, and August 31, 1919; and that, in addition, a large number of exchanges in potatoes, meat, grain, et cetera, had been arranged between interior countries in central and eastern Europe, amounting to somewhat over 500,000 tons of foodstuffs. Mr. Hoover also stated, in conclusion, that "the result of these operations has been to carry Europe (except Russia) through the greatest famine since the Thirty Years War without appreciable loss of life, although necessarily with some privation."

The Communications Section of the Supreme Economic Council organized and coordinated assistance for the maintenance and improvement of the existing port, railway, inland-waterway, and

telegraphic facilities of eastern Europe. Through a large staff and the supply of large quantities of materials, the railways, which had been disintegrated by war use and by political changes, were sufficiently restored to maintain the movement of the basic necessities of life throughout the area; the rivers Elbe, Danube, and Vistula were reopened for traffic; and, in order to cope with the movement of supplies and control of railways, and to rehabilitate economic life generally, telegraphic communication was organized throughout central and eastern Europe.

The organization and work of the Supreme Economic Council was fundamentally different in a number of respects after the German ratification of the peace treaty, and the ending of the Armistice period. By that time the general lines of administration of relief in eastern Europe had been laid down and the supply of food to Germany was in full operation, and with the approaching harvest the supply of food to relief countries was also rapidly ceasing. On June 28, 1919, at the last meeting of the Supreme Council attended by President Wilson, it was agreed that the Supreme Economic Council should suggest for the consideration of the several governments the methods of consultation which would be most serviceable for this purpose. The Supreme Economic Council recommended that an International Economic Council be constituted to replace the Supreme Economic Council and that it hold its meetings in the chief Allied capitals in turn, the first meeting to be held in Washington after the ratification of the peace treaty. When it was not found possible to proceed with this plan because of the failure of the United States to ratify the treaty, the Supreme Economic Council continued to function under its old title, holding its meetings in various Allied capitals at irregular intervals until February 1920.

Although the American delegates continued to participate in the meetings of the Supreme Economic Council through the 29th meeting at London, August 1-2, 1919, they were principally concerned with completing the food-relief commitments of the United States and making arrangements for closing down their organization throughout Europe. Mr. Hoover and all the American delegates who had been primarily concerned with the Supreme Economic Council had returned to the United States by September 1919 and were not replaced.

# U.S. Interpretation of Terms of Moscow Agreement on Korea

## NOTE FROM SECRETARY OF STATE TO SOVIET MINISTER FOR FOREIGN AFFAIRS

[Released to the press May 21]

DEAR MR. MOLOTOV: I have considered your letter of April 19, 1947<sup>1</sup> in which you accept our proposal to reconvene the U.S.-U.S.S.R. Joint Commission and suggest that the Commission resume its work on May 20 of this year. I have also noted your statement that resumption of the Commission's work shall be "on the basis of an exact execution of the Moscow Agreement on Korea".

In order to avoid any future misunderstanding with respect to the phrase "exact execution" I wish to make clear my interpretation of the phrase. In my letter to you of April 8<sup>2</sup> I stated that the Joint Commission should be charged with expediting "its work under the terms of the Moscow Agreement on a basis of respect for the democratic right of freedom of opinion". In making this statement I had and have in mind the well-known position of the Government of the United States that Korean representatives of democratic parties and social organizations shall not be excluded from consultation with the Commission on the formation of a provisional Korean government because of opinions they might hold or may have expressed in the past concerning the future government of their country, provided they are prepared to cooperate with the Commission.

You mention three points which the Soviet Government believes to be of primary importance in its policy towards Korea. Your statement concerning the importance of establishing a provisional democratic Korean government on the basis of wide-scale participation of Korean democratic parties and social organizations has from the beginning been accepted by the United States Government as basic to its policy of assisting in the establishment of a self-governing sovereign Korea, independent of foreign control and eligible for membership in the United Nations.

I interpret your second point with respect to the establishment of "democratic authority agencies" throughout Korea as referring to local, provincial and national government agencies chosen, as you state, by means of free elections on the basis of a general and equal electoral right.

I welcome the assurance contained in your third point with regard to the importance you attach to aiding in the restoration of Korea as an independent democratic state and in the development of its national economy and national culture. The United States Government has under consideration a constructive program for the rehabilitation of the economy of Korea and for its educational and political development.

In order that I may direct the United States Commander in Korea to make preparations for opening the sessions of the Joint Commission in Seoul on May 20, 1947, may I receive an early confirmation that we are mutually agreed as to the basis on which the Commission shall resume its important work?

I am furnishing copies of this letter to the Governments of China and the United Kingdom.

Please accept [etc.]      GEORGE C. MARSHALL

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### U.N. Documents—Continued from page 929

Letter from the Minister of Hungary to the United States  
Addressed to the Secretary-General Dated 22 April  
1947. S/333, Apr. 25, 1947. 1 p. mimeo.

### Trusteeship Council

List of Trusteeship Council Documents Issued as of 10 April 1947 in Connection With the First Session of the Trusteeship Council. (Memorandum Prepared by the Secretariat.) T/INF/3, Apr. 14, 1947. 7 pp. mimeo.

Trusteeship Agreements. Texts of the Eight Trusteeship Agreements Approved by the General Assembly at the Sixty-second Meeting of Its First Session, 13 December 1946. T/S, Mar. 25, 1947. 62 pp. mimeo.

Report by the Committee on Questionnaires to the Trusteeship Council. T/AC.2/1, Apr. 22, 1947. 43 pp. mimeo.

Compilation of Questions in the Formulation of Questionnaires: Item 8 of the Provisional Agenda for the First Session of the Trusteeship Council. (Memorandum prepared by the Secretariat.) T/9, Mar. 25, 1947. 63 pp. mimeo.

Draft Report by the Trusteeship Council to the General Assembly Covering the First Session of the Council, 26 March to 28 April 1947. T/39, Apr. 28, 1947. 16 pp. mimeo.

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<sup>1</sup> BULLETIN of May 4, 1947, p. 812.

<sup>2</sup> BULLETIN of Apr. 20, 1947, p. 716.

## Negotiations Planned for Settlement of China's War Accounts

[Released to the press May 2]

The Government of China has responded affirmatively to a recent United States proposal that negotiations looking to settlement of outstanding war accounts begin soon in Washington, the Secretary of State announced on May 2.

The discussions will extend to settlement of lend-lease, other wartime financial obligations of the two Governments, unadjusted aspects of surplus war property transactions, and other financial claims arising out of the conduct of the war.

United States war aid to China included approximately 1.5 billion dollars' worth of lend-lease assistance under the mutual-aid agreement of June 2, 1942, and a 1942 loan of 500 million dollars, or a total of roughly 2 billion dollars. Nearly half of the total lend-lease assistance was extended after V-J Day.

Surplus property sales to China (including the bulk sale of August 30, 1946) have amounted to about 900 million dollars at procurement cost. The agreed sales price is approximately 210 million dollars. Of the 210 million dollars, the sum of 120 million dollars was offset against United States obligations to China on account of yuan and Taiwan yen advances (for support of United States military forces) and 55 million dollars represents local currency which the Chinese agreed to make available to be used in payment of United States Government expenses in China. This latter sum comprises 35 million dollars for the acquisition and improvement of property for embassies, consulates, and chancelleries, and 20 million dollars designated for the fulfilment of cultural and educational programs.

Two special agreements on lend-lease matters were signed in June 1946, one specifying the payment and other terms governing civilian lend-lease "pipe-line" deliveries after V-J Day, and the other the terms governing the limited provision, for payment, of military lend-lease aid for a limited period after June 30, 1946. Neither of these agreements covered the general questions of lend-lease settlement, or other economic matters usually associated with the general settlement of

war accounts, all of which will be comprehended by the approaching discussions.

The terms of the lend-lease settlement agreement to be reached with China are expected to reflect the same liberal settlement principles that have found expression in the major lend-lease settlements heretofore concluded with other governments, notably that with the United Kingdom agreed in December 1945.

## Extension of Copyright Agreement With New Zealand<sup>1</sup>

An agreement between the Government of the United States and the Government of New Zealand for an extension of time for fulfilment of the conditions and formalities for securing copyright was effected on April 24, 1947,<sup>2</sup> by an exchange of notes between the New Zealand Minister and the Acting Secretary of State.

The note from the New Zealand Minister is accompanied by a copy of an Order in Council published in the New Zealand *Gazette* of April 24, 1947, according copyright-extension privileges to authors and copyright proprietors of the United States. The note from the Acting Secretary of State to the New Zealand Minister is accompanied by a copy of a proclamation issued on April 24, 1947, by the President of the United States pursuant to Public Law 258, 77th Congress (55 Stat. 732), extending to New Zealand authors and copyright proprietors the time for compliance with and for the fulfilment of the conditions and formalities established by the laws of the United States of America relating to copyright.

## Air-Transport Agreement With Syria

[Released to the press April 28]

A bilateral air-transport agreement between the United States and Syria was signed on April 28 in Damascus. James S. Moose, Jr., Chargé d'Affaires, signed on behalf of the United States Government, and Prime Minister Jamil Mardam Bey signed for Syria.

The agreement is substantially the same as the agreement between the United States and Lebanon and is similar to the United States-Egyptian air-transport agreement as well. Under its terms, Pan American Airways will be authorized to make traffic stops at Damascus with fifth-freedom rights on the certificated route between the United States and India and the Far East.

<sup>1</sup> Proclamation 2729 (12 *Federal Register* 2643).

<sup>2</sup> For texts of notes and enclosures, see Department of State press release 350 of Apr. 24.



# Agreement of Friendship and Commerce With Nepal

## SIGNING OF AGREEMENT

[Released to the press April 29]

The first formal agreement between the Kingdom of Nepal and the United States Government was concluded on April 25, 1947, with the signing of an agreement of friendship and commerce at Katmandu, the capital of Nepal. Joseph C. Satterthwaite, Personal Representative of the President, and His Highness Maharaja Padma Shum Shere Jung Bahadur Rana, Prime Minister of Nepal, signed the agreement on behalf of the United States Government and the Kingdom of Nepal, respectively.

This is an Executive agreement which is intended to remain in force until superseded by a more comprehensive commercial agreement and is terminable on 30 days' written notice by either party. The agreement provides for the exchange of diplomatic and consular representation, establishes a minimum standard for treatment of American nationals who may go to Nepal, and establishes the rule of non-discrimination in the future commercial relations between the two countries. The new document is similar to agreements concluded in 1946 with the Yemen and in 1933 with Saudi Arabia.

## UNITED STATES NOTE TO PRIME MINISTER OF NEPAL

[Released to the press April 30]

*Text of United States note addressed to the Prime Minister of Nepal, which contains the terms of the friendship and commerce agreement between the United States of America and the Kingdom of Nepal, signed at Kathmandu, April 25, 1947, effective April 25, 1947. The Nepalese Prime Minister's reply of the same date repeats verbatim the terms contained in the United States note*

*April 25, 1947.*

**EXCELLENCY:** I have the honor to make the following statement of my Government's understanding of the agreement reached through recent conversations held at Kathmandu by representatives of the Government of the United States of America and the Government of the Kingdom of Nepal with reference to diplomatic and consular representation, juridical protection, commerce and navigation. These two Governments, desiring to strengthen the friendly relations happily existing

The recognition of the independence of Nepal by the Government of the United States was expressed in a personal letter from President Truman, presented personally by Mr. Satterthwaite on April 21 to His Majesty, The Maharajadhiraja, Tribhubana Bir Bikram Jung Bahadur Shah Bahadur Shum Shere Jung Deva, King of Nepal.<sup>1</sup> Mr. Satterthwaite, who with his advisers arrived in Katmandu on April 13, reports that his mission has been received by the Nepalese with the utmost cordiality and that his negotiations with Nepalese Government officials have been characterized throughout by a spirit of frankness and good-will.

The agreement with the Himalayan Kingdom will provide a basis for better understanding between the United States and Nepal as well as between the United States and the southern Asia area in general. It will also provide a provisional basis for economic and cultural relations between two countries hitherto little known to each other.

The United States note addressed to the Prime Minister of Nepal, dated April 25, 1947, contains the terms of agreement. The Nepalese Prime Minister's reply of the same date repeats verbatim the terms contained in the United States note.

between the two countries, to further mutually advantageous commercial relations between their peoples, and to maintain the most-favored-nation principle in its unconditional and unlimited form as the basis of their commercial relations, agree to the following provisions:

1. The United States of America and the Kingdom of Nepal will establish diplomatic and consular relations at a date which shall be fixed by mutual agreement between the two Governments.
2. The diplomatic representatives of each Party accredited to the Government of the other Party shall enjoy in the territories of such other Party the rights, privileges, exemptions and immunities accorded under generally recognized principles of international law. The consular officers of each Party who are assigned to the Government of the other Party, and are duly provided with ex-

<sup>1</sup> Not printed.



equaturs, shall be permitted to reside in the territories of such other Party at the places where consular officers are permitted by the applicable laws to reside; they shall enjoy the honorary privileges and immunities accorded to officers of their rank by general international usage; and they shall not, in any event, be treated in a manner less favorable than similar officers of any third country.

3. All furniture, equipment and supplies intended for official use in a consular or diplomatic office of the sending state shall be permitted entry into the territory of the receiving state free of all customs duties and internal revenue or other taxes whether imposed upon or by reason of importation.

4. The baggage and effects and other articles imported exclusively for the personal use of consular and diplomatic officers and employees and the members of their respective families and suites, who are nationals of the sending state and are not nationals of the receiving state and are not engaged in any private occupation for gain in territory of the receiving state, shall be exempt from all customs duties and internal revenue or other taxes whether imposed upon or by reason of importation. Such exemption shall be granted with respect to property accompanying any person entitled to claim an exemption under this paragraph on first arrival or on any subsequent arrival and with respect to property consigned to any such person during the period the consular or diplomatic officer or employee, for or through whom the exemption is claimed, is assigned to or is employed in the receiving state by the sending state.

5. It is understood, however, (a) that the exemptions provided by paragraph 4 of this Agreement shall be accorded in respect of employees in a consular office only when the names of such employees have been duly communicated to the appropriate authorities of the receiving state; (b) that in the case of the consignments to which paragraph 4 of this Agreement refers, either state may, as a condition to the granting of the exemption provided, require that a notification of any such consignment be given in such manner as it may prescribe; and (c) that nothing herein shall be construed to permit the entry into the territory of either state of any article the importation of which is specifically prohibited by law.

6. Nationals of the Kingdom of Nepal in the United States of America and nationals of the

United States of America in the Kingdom of Nepal shall be received and treated in accordance with the requirements and practices of generally recognized international law. In respect of their persons, possessions and rights, such nationals shall enjoy the fullest protection of the laws and authorities of the country, and shall not be treated in any manner less favorable than the nationals of any third country.

7. In all matters relating to customs duties and charges of any kind imposed on or in connection with importation or exportation or otherwise affecting commerce and navigation, to the method of levying such duties and charges, to all rules and formalities in connection with importation or exportation, and to transit, warehousing and other facilities, each Party shall accord unconditional and unrestricted most-favored-nation treatment to articles the growth, produce or manufacture of the other Party, from whatever place arriving, or to articles destined for exportation to the territories of such other Party, by whatever route. Any advantage, favor, privilege or immunity with respect to any duty, charge or regulation affecting commerce or navigation now or hereafter accorded by the United States of America or by the Kingdom of Nepal to any third country shall be accorded immediately and unconditionally to the commerce and navigation of the Kingdom of Nepal and of the United States of America, respectively.

8. There shall be excepted from the provisions of paragraph 7 of this Agreement advantages now or hereafter accorded: (a) by virtue of a customs union of which either Party may become a member; (b) to adjacent countries in order to facilitate frontier traffic; (c) to third countries which are parties to a multilateral economic agreement of general applicability, including a trade area of substantial size, having as its objective the liberalization and promotion of international trade or other international economic intercourse and open to adoption by all the United Nations; and (d) by the United States of America or its territories or possessions to one another, to the Republic of Cuba, to the Republic of the Philippines, or to the Panama Canal Zone. Clause (d) shall continue to apply in respect of any advantages now or hereafter accorded by the United States of America or its territories or possessions to one another irrespective of any change in the political status of any such territories or possessions.

9. Nothing in this Agreement shall prevent the adoption or enforcement by either Party: (a) of measures relating to fissionable materials, to the importation or exportation of gold and silver, to the traffic in arms, ammunition and implements of war, or to such traffic in other goods and materials as is carried on for the purpose of supplying a military establishment; (b) of measures necessary in pursuance of obligations for the maintenance of international peace and security or necessary for the protection of the essential interests of such Party in time of national emergency; or (c) of statutes in relation to immigration.

10. Subject to the requirement that, under like circumstances and conditions, there shall be no arbitrary discrimination by either Party against the nationals, commerce or navigation of the other Party in favor of the nationals, commerce or navigation of any third country, the provisions of this Agreement shall not extend to prohibitions or restrictions: (a) imposed on moral or humanitarian grounds; (b) designed to protect human, animal, or plant life or health; (c) relating to prison-made goods; or (d) relating to the enforcement of police or revenue laws.

11. The provisions of this Agreement shall apply to all territory under the sovereignty or authority of either of the parties, except the Panama Canal Zone.

12. This Agreement shall continue in force until superseded by a more comprehensive commercial agreement, or until thirty days from the date of a written notice of termination given by either Party to the other Party, whichever is the earlier. Moreover, either Party may terminate paragraphs 7 and 8 on thirty days written notice.

If the above provisions are acceptable to the Government of the Kingdom of Nepal this note and the reply signifying assent thereto shall, if agreeable to that Government, be regarded as constituting an agreement between the two Governments which shall become effective on the date of such acceptance.

Please accept [etc.]

JOSEPH C. SATTERTHWAITTE

*Chief, Special U. S. Diplomatic Mission  
to the Kingdom of Nepal*

PADMA SHUM SHERE JUNG BAHADUR RANA,

*Prime Minister, Kingdom of Nepal*

## Government Calls Conference With Radio Industries To Discuss International Broadcasting

[Released to the press May 4]

The Secretary of State will attend a conference on May 5 with the heads of seven private companies which own and operate short-wave radio facilities under contract with the Government, to discuss the future of international broadcasting.

The representatives of the seven companies plan to discuss pending legislation and appropriations for international broadcasting. They have been in general agreement that industry cannot finance international broadcasting on the scale needed, that Government financing is essential, and that continued appropriations to the Department of State for international broadcasting are necessary until Congress agrees upon long-term plans.

The industry representatives who will attend the meetings are: William Paley, chairman of the Columbia Broadcasting System; Niles Trammel, president of the National Broadcasting Company; Philip Reed, chairman of the General Electric Company; James Shouse, President of the Crosley Radio Corporation; Walter Evans, president of the Westinghouse Electric Corporation; Wesley Dumm, president of the Associated Broadcasting System; and Walter Lemmon, president of the World Wide Broadcasting Foundation.

Others who will attend the meeting are Dean Acheson, Under Secretary of State; William Benton, Assistant Secretary for public affairs; David Sarnoff, president of the Radio Corporation of America; and James Lawrence Fly, former chairman of the Federal Communications Commission and now counsel for the Associated Broadcasting System.

Among the congressional leaders who have been invited to attend the meeting are the following:

*From the Senate*—Arthur H. Vandenberg, president *pro tempore*; Alben W. Barkley, minority floor leader; Tom Connally, Carl A. Hatch, and Walter F. George of the Foreign Relations Committee; Styles Bridges, Patrick McCarran, Joseph H. Ball, and Wallace H. White, Jr., of the Appropriations Committee; Charles W. Tobey, Edwin C. Johnson, and Brien McMahon of the Interstate and Foreign Commerce Committee.

*From the House*—Joseph W. Martin, Jr., Speaker; Sam Rayburn, minority leader; Charles A. Eaton and Sol Bloom of the Foreign Affairs Committee; John Taber, Clarence Cannon, and Karl Stefan of the Appropriations Committee; Charles A. Wolverton and Clarence F. Lea of the Interstate and Foreign Commerce Committee.

## Program Schedules Distributed for Voice of U.S.A.

[Released to the press April 23]

Program schedules of the "Voice of the United States of America", printed in six foreign languages, will be mailed to 324,850 overseas listeners who have written to the Department of State requesting them. The program schedules, now being issued for the month of June, are printed in French, German, Italian, Chinese, Spanish, and Portuguese, in addition to English.

The schedules are mailed from the New York studios of the Voice of the United States of America each month about six weeks in advance. Requests from overseas listeners are in response to announcements in the six languages that the program schedules are available. In view of the foreign custom of community listening to short-wave broadcasts, these requests are believed to represent only a fraction of the actual number of listeners.

Requests for the programs have nearly doubled since they were offered in French last November, in Italian in January, and in German and Chinese in February. The programs previously had been printed in Spanish and Portuguese for Latin American listeners.

Requests from Germany have been received at the rate of about 18,000 a month and from France and Italy at the rate of about 8,000 a month. Recent reports from China stated that thousands of program requests had been received at the 11 consular offices in China for forwarding to the United States.

The June programs will go to 52,500 listeners in Germany, 50,000 in France, 35,800 in Italy, 17,600 in China, 130,750 in Spanish to Latin America, and 38,200 in Portuguese to Brazil.

<sup>1</sup> Printed from Department of State publication 2799.

## Fifth Report to Congress on Foreign Surplus Disposal

### LETTER OF TRANSMITTAL OF THE SECRETARY OF STATE<sup>1</sup>

TO THE HONORABLE THE PRESIDENT OF THE SENATE  
THE HONORABLE THE SPEAKER OF THE HOUSE OF REPRESENTATIVES

SIRS: In accordance with section 24 of the Surplus Property Act of 1944 there is transmitted herewith the fifth report of the Department of State on the disposal of United States surplus property in foreign areas. Incorporated therein is the report required from the Foreign Liquidation Commissioner by Section 202 of the Philippine Rehabilitation Act of 1946 concerning the administration of Title II of that Act.

In addition to continued sales, major progress was made during the January-March quarter in the delivery of property previously sold in major bulk sales. All deliveries under the largest bulk sale, that to France, were completed during the quarter, as were deliveries to Belgium. The bulk of the property currently available has also been transferred to Italy under the Italian bulk sale and plans have been made for the expeditious turnover of the remainder when our troops are withdrawn from Italy.

Substantial progress was also made in connection with the large bulk sales in the Pacific area. The Philippine Government has assumed custody of approximately one-third of the total volume to be turned over and further transfers are progressing rapidly. Transfers of the property located in China to the Chinese Government are practically complete and arrangements for the packaging and shipment of the property sold to the Chinese from islands in the Pacific are well under way and a portion of the property has already begun to move.

While a considerable amount of detailed record-keeping remains, the United States Government has been relieved of the burden of care and custody with respect to \$800,000,000 of property during the quarter. Sales have continued from the property currently in inventory and as of March 31, \$7,174,000,000 of property at original cost had been sold for a realization of \$1,671,000,000.

As is explained in some detail in this report, we have approximately \$3,000,000,000 worth of

property, at original cost, still to be sold. The major concentration is in Germany where an intensive site-sales program has been planned and is now coming into operation.

GEORGE C. MARSHALL  
*Secretary of State*

WASHINGTON, D.C.  
*April 30, 1947*

## **Philip C. Jessup Appointed Representative on Committee on International Law**

The President has appointed Philip C. Jessup, professor of international law at Columbia University, as the Representative of the United States on the Committee on the Progressive Development of International Law and Its Codification which is to hold its first meeting at Lake Success on May 12, 1947.

This Committee was established by a resolution of the General Assembly of the United Nations at its last session in New York. It is to study methods by which the General Assembly should encourage the progressive development of international law and its eventual codification, methods of securing the cooperation of the several organs of the United Nations to this end, and methods of enlisting the assistance of such national or international bodies as might aid in the attainment of this objective. The Committee is to report to the General Assembly at its next regular session in September.

## **Inter-American Copyright Convention Enters Into Force**

[Released to the press by the  
Pan American Union April 14]

With the deposit of the Dominican Republic's ratification at the Pan American Union on April 14, the inter-American convention on the rights of the author in literary, scientific, and artistic works becomes an effective instrument in international law.

Article XX of the convention provides that it goes into force on the date the second country deposits its ratification. The first state—Ecuador—deposited its ratification on March 4, 1947.

This convention was agreed upon last June at a conference of experts on copyright specially called

to meet at the Pan American Union for the purpose.<sup>1</sup> The delegates after three weeks of debate achieved a text fairly representing the different viewpoints, and all twenty-one republics signed the instrument on June 22. It will be binding upon the remaining signatory states on the date of the deposit of their instruments of ratification.

Other deposits may be expected as the legislative process of approval can be completed in the various countries. In the case of Mexico, the process was completed by the ratification of the President on December 31, 1946, and deposit is expected in a few days.

## **Civic Leaders To Discuss Foreign Policy With U.S. Officials**

[Released to the press April 30]

The Department of State announced on April 30 that representatives of civic organizations from all sections of the United States will convene in Washington on June 4 for a three-day meeting to discuss American foreign policy. The program will include statements by officials of the Department of State, United States representatives to the United Nations, and Congressional leaders.

Attendance at the sessions of the meeting will include organizations and associations which have over a period of time indicated a continuing interest in international affairs and which carry on educational programs in this field. Among the groups which have designated representatives for the meeting are farm, labor, business, women's, veterans', educational, and professional organizations.

The program scheduled for the first two days of the meeting will include consideration of the political, economic, and cultural foundations of peace. On the third day, June 6, sessions will be held both in Washington and at the United Nations headquarters in New York.

The meeting will provide an opportunity for carrying out in part this Government's responsibilities in connection with article 71 of the United Nations Charter which establishes a method of consultation with non-governmental organizations. According to the interpretation of this article by the Economic and Social Council, national organizations will normally present their views through their respective governments. Other meetings will be held from time to time.

<sup>1</sup> BULLETIN of July 7, 1946, p. 29.

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# *The Department of State*

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May 18, 1947

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# *The Department of State* bulletin

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*The Department of State BULLETIN, a weekly publication compiled and edited in the Division of Publications, Office of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes press releases on foreign policy issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.*

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## ASPECTS OF AMERICAN ECONOMIC AND TECHNICAL AID TO FOREIGN COUNTRIES SINCE MID-1945

*In peace as well as in war, the United States has lived up to its responsibility for providing much-needed assistance to foreign countries. Since V-E Day and V-J Day, American loans, technical aid, "hard goods" distributed through UNRRA, and the transfer of fixed war installations have materially contributed to the welfare of the populations of sixty countries.*

American economic and technical aid to foreign countries since mid-1945 adds up to an impressive record of concrete achievement. As a result of American loans, technical services, transfers, settlements, allocations, and surplus-property sales, many countries on every continent have a greater share of roads, hospitals, airfields, libraries, machinery, sanitation, cargo ships, and other tools of a civilized economy.

Lend-lease aid since V-J Day, having the character of "pipe line" shipments, i.e. continued shipment of materials for which contracts had been previously signed, amounted to almost two billion dollars, of which China received 673 million dollars, France 344 million dollars, the British Commonwealth 428 million dollars, and the Soviet Union 198 million dollars.

Loans and credits granted during the fiscal year which ended June 30, 1946, including Export-Import Bank loans, credits for the purchase of surplus property, et cetera, amounted to 2,163 million dollars, of which 119 million dollars was allotted to the American republics, 100 million

dollars to Belgium, 67 million dollars to China, 1,200 million dollars to France, and 310 million dollars to the Netherlands.

The value of fixed war installations transferred to foreign countries and the amounts of "hard goods" made available through UNRRA have contributed materially to the welfare of the recipient countries. It is not feasible to present over-all figures for these types of aid, as the fixed installa-

NOTE: Digest of a study prepared by the Division of Historical Policy Research, Department of State, at the suggestion of a member of Congress and in accordance with his specifications. The study was designed to furnish a general survey, under designated categories, of certain significant items of American assistance to foreign countries, rather than a definitive tabulation of such aid. The study does not include any of the benefits which the United States may have received from foreign countries in conjunction with such aid as the United States has extended. Sources used in the preparation of the study show no direct U. S. aid of significant proportions to the following countries: Afghanistan, Bulgaria, Eire, Liechtenstein, Luxembourg, Monaco, Morocco, Muscat, Palestine and Trans-Jordan, Siam, Sweden, Switzerland, the Union of South Africa, and Yemen.



tions were in some cases sold at prices nearly reflecting actual value and in other cases transferred either for a small consideration or for no monetary return, and the bases of estimating the value of "hard goods" vary in different situations.

#### American Republics

From July 1945 to December 1946, Export-Import Bank credits totaling over 125 million dollars were made available to governments and enterprises in other American republics. Surplus property costing \$14,267,811 was sold to those republics for \$3,796,120. The United States furnished lend-lease aid totaling 5 million dollars to the American republics between V-J Day and June 30, 1946.

Some 16 million dollars has been expended in cooperative health and sanitation projects benefiting many millions of our southern neighbors. Cultural and technical cooperation with the other American republics, including aid to United States cultural centers, exchange of agricultural and scientific skills, et cetera, will amount to over \$2,500,000 in the fiscal year 1947.

Expenditures for the Inter-American Highway were approved by the act of December 26, 1941, which authorized the appropriation of 20 million dollars for the construction of a road from the Mexican-Guatemalan border to the Canal Zone, provided that one third of the cost in each country would be met by the respective countries. The total work contemplated on the Inter-American Highway is said to be slightly more than one half finished and to require about four years and 65 million dollars for completion.

For cultural and technical cooperation in *Argentina*, the United States expended some \$42,000 in the fiscal year 1946 and will have spent approximately \$62,000 in fiscal 1947. The Export-Import Bank extended a credit of \$193,000 to an Argentine firm for the purchase of harbor barges in the United States.

Half a million persons out of a total *Bolivian* population of 3,500,000 are estimated to have benefited directly from the United States-Bolivian cooperative health program. In addition, the United States expended some \$74,000 in fiscal 1946 and will have spent \$171,000 in fiscal 1947 on cultural and technical projects in Bolivia.

The Export-Import Bank granted credits totaling some 46 million dollars to *Brazilian* govern-

mental and private agencies from July 1945 through December 1946. Brazil also benefited from cultural and health projects, the transfer of numerous fixed war installations (including airfields and hospitals), and the sale of surplus property at reduced prices.

Expenditures of \$125,000 in *Chile* by the Interdepartmental Committee on Scientific and Cultural Cooperation in fiscal 1947 (compared with \$70,000 for fiscal 1946) will provide aid to United States cultural centers and to several new projects. From July 1945 through December 1946, the Export-Import Bank granted credits of 42 million dollars to Chilean agencies.

The United States had contributed \$1,805,000 and *Colombia* \$3,436,170 as of September 30, 1946, to a cooperative health and sanitation program. Sixty-four health and sanitation centers and projects were in operation on September 30, 1946. The program of technical cooperation includes the development of rubber production and grants to various specialists.

Between June 1945 and January 1947, a total of \$1,286,900 was expended for equipment, materials, and construction on parts of the Inter-American Highway in *Costa Rica*. By September 1946, 19 health centers and projects were in operation and 26 were approaching activation under the cooperative health and sanitation program.

On May 20, 1946, the United States transferred to *Cuba* an air base at San Antonio de los Baños, one at San Julián, and 13 buildings. On technical and cultural projects in Cuba, the United States expended \$79,607 in fiscal 1946 and will have spent about \$110,243 in fiscal 1947.

Under the agreements for a cooperative health program, the United States had contributed \$400,000 and the *Dominican Republic* \$175,000 as of September 30, 1946. Between July 1, 1944, and February 21, 1947, 22 Dominicans completed or continued specialized training in the United States under grants from the Institute of Inter-American Affairs.

One third of *Ecuador's* population benefited directly from the cooperative health and sanitation program, according to reliable estimates. The Export-Import Bank made one million dollars available to Ecuador to pay for American engineering services. An air base at Salinas and a military base in the Galápagos were turned over to Ecuador in 1946.

Between June 1945 and January 1947, the sum of \$167,500 was expended by the United States for construction of parts of the Inter-American Highway in *El Salvador*. The cooperative health program covered 29 health centers and projects completed and 44 in process of organization as of September 30, 1946.

The United States expended \$232,700 for construction of parts of the Inter-American Highway in *Guatemala* between June 1945 and January 1947. Guatemala's contribution to the health and sanitation program exceeded, as of September 30, 1946, that of the United States: \$3,905,444 from Guatemala and \$1,050,000 from the United States.

Development of rubber production and support of cultural centers are major projects in *Haiti* of the Interdepartmental Committee. The United States contributed \$808,000 and Haiti \$192,850 toward the cooperative health and sanitation program, which covers 33 health projects in operation on September 30, 1946, and 35 nearing completion.

Puerto Castilla, a naval base, was returned to *Honduras* in 1946, and surplus property left there was sold to Honduras for \$56,000. For the health program, the United States contributed \$800,000 and Honduras \$605,400 through September 1946. For the Inter-American Highway, the United States has expended \$354,500 since mid-1945.

The Export-Import Bank granted credits totaling 37 million dollars to the Government of *Mexico* and Mexican enterprises from July 1945 through 1946. To the health program the United States contributed 4 million dollars and Mexico \$2,550,000 through September 1946. Cultural and technical cooperation will come to over \$300,000 in fiscal 1947.

The naval base at Corinto and the Army air base at Puerto Cabezas were transferred to *Nicaragua* in 1946. Other aid of the United States includes \$405,800 for the Inter-American Highway, \$845,700 for a road across Nicaragua, \$800,000 for the health program, and (for fiscal 1947) \$101,000 for cultural cooperation.

According to information available in the Department of State, 98 defense sites out of 134 have been returned to the Republic of *Panama*. Between June 1945 and January 1947, the sum of \$13,000 was expended in Panama by the United States for construction of parts of the Inter-American Highway.

As of September 30, 1946, the United States had contributed \$1,500,000 and *Paraguay* \$500,000 to the cooperative health and sanitation program. Improvements in crops, dairies, et cetera, have been sponsored by the Institute of Inter-American Affairs with contributions of \$600,000 from the United States and \$275,000 from Paraguay.

It is estimated that at least one million of *Peru's* 2 million inhabitants benefited directly from the 44 health centers and projects in operation on September 30, 1946, under the cooperative health and sanitation program. The United States air base at Talara was transferred to Peru.

A credit of \$666,666 was extended to *Uruguay* for the purchase of surplus United States property. The cooperative health and sanitation program benefited one third of Uruguay's population, according to reliable estimates; the program cost the United States \$575,000 and Uruguay \$252,298.

Expenditures in *Venezuela* by the Interdepartmental Committee on Scientific and Cultural Cooperation will have doubled in fiscal 1947 as compared with last year, \$96,663 as against \$48,353. The chief projects are aid to United States cultural centers and training grants in civil aviation. A cooperative health program is also in operation.

#### **Europe and the British Commonwealth**

Export-Import Bank credits totaling almost 2 billion dollars were made available to European countries from July 1945 to December 1946. Certain details respecting these loans, and a statement regarding the British loan agreement of December 1945, will be found in the appropriate country paragraphs below.

Some continental European countries received substantial amounts of "hard goods" through UNRRA, while the British Commonwealth was a source rather than a beneficiary of this type of aid. Many valuable fixed installations, however, were transferred to British Commonwealth countries as well as to Continental countries, in some cases for a financial consideration far lower than the original cost.

Credits for the purchase of surplus American property amounting to approximately three quarters of a billion dollars were made available during the fiscal year 1946 to countries in this category. Planned programs of technical and cultural cooperation, including the exchange of persons and of cultural resources, will total an estimated \$736,321 in fiscal 1947.

The United States share of supplies furnished to *Albania* by UNRRA in fiscal 1946 was \$13,052,284, of which about \$500,000 was for (a) industrial and agricultural equipment and (b) facilities for communication and transportation. Of the \$27,450,000 allotted to *Albania* by UNRRA in July 1946, almost 14 million dollars was for agricultural and industrial rehabilitation.

As of June 30, 1946, the United States had transferred to *Australia* 178 fixed war installations, including 30 airports and 11 seaports. Lend-lease shipments since V-J Day are estimated at \$17,500,000 in value. Of the funds received under the lend-lease settlement, the United States will spend 5 million dollars in *Australia* for educational purposes.

The Export-Import Bank made 100 million dollars available to *Belgium*. Lend-lease aid from V-J Day through September 1946 totaled 68 million dollars. Two airports and 39 other installations were transferred to *Belgium* through September 24, 1946. Surplus property costing approximately 380 million dollars was transferred for a return estimated at 54 million dollars.

The Alaska Highway was turned over to *Canada* on April 1, 1946, and is open to American citizens on equal terms with Canadians.

Of the credit of 50 million dollars extended to *Czechoslovakia* for war-surplus property on May 29, 1946, \$9,304,694 had been committed up to September 13, when the remainder was suspended. A 20-million-dollar credit was extended by the Export-Import Bank. The UNRRA program for *Czechoslovakia* as of January 31, 1947, totaled \$104,622,000 for industrial and agricultural rehabilitation.

Credits extended to *Denmark* include 20 million dollars by the Export-Import Bank and 50 million dollars for surplus war property. An unused portion of the latter credit was suspended. The United States has contributed to the maintenance of commercial airfields in *Denmark* which are available to American air lines.

*Finland* received credits of 40 million dollars from the Export-Import Bank and 15 million dollars for the purchase of surplus property. Civilian relief supplies shipped from fiscal 1942 through fiscal 1946 cost \$2,566,180, of which the American Red Cross furnished three fifths and UNRRA the remainder; some \$50,625 of the total went for agricultural supplies and equipment.

The United States has extended credits of over 1,750 million dollars to *France* for reconstruction purposes, purchase of Liberty ships, and other uses. Some 468 fixed war installations were transferred to *France* for 196 million dollars, and other such installations have been transferred as they became surplus.

The loan of 3,750 million dollars to *Great Britain* is giving that country a "breathing spell". The sum of 20 million dollars has been set aside, from surplus-property proceeds, for educational exchange with *Great Britain*, under the Fulbright act. As of June 30, 1946, approximately 800 fixed installations had been transferred to *Great Britain*, in some cases for a small fraction of the original cost.

The United States has advanced to UNRRA about 350 million dollars or about 72 percent of the total UNRRA program for *Greece*; approximately 91 million dollars of this sum is for agricultural machinery and industrial equipment. Other American aid includes a 25-million-dollar Export-Import Bank credit; lend-lease aid of \$75,475,720 as of June 30, 1946; 90 million dollars in credits for purchase of 100 ships and of surplus property; and the services of an economic mission.

As of June 30, 1946, twenty-seven fixed war installations costing 65 million dollars had been transferred to *Iceland*. Of these, three were airfields.

Prior to the beginning of UNRRA aid, the United States appropriated 140 million dollars for civilian aid in *Italy*, which permitted the shipment of 1,800,000 tons of coal and 750,000 tons of foodstuffs, plus substantial quantities of industrial materials. Other aid included UNRRA shipments (begun with an appropriation of 500 million dollars, the United States being the major supplier); Export-Import Bank credits of 125 million dollars; transfer of 117 installations; sale of Liberty ships; and crediting of *Italy* with the dollar equivalent of the *Am-lire* used to pay American troops.

The Export-Import Bank extended 260 million dollars in credits to the *Netherlands*. Lend-lease shipments to that country from V-J Day through June 1946 totaled 50 million dollars. A 20-million-dollar credit was extended for purchase of surplus property, and the United States disposed of 84 installations in the *Netherlands* and possessions.

On July 10, 1946, a credit of \$5,500,000 was ex-

tended to *New Zealand* for the purchase of surplus war property. Of the amount to be paid by New Zealand for this property, a part will be used for educational exchanges. As of June 30, 1946, the United States had disposed of 22 installations.

The United States has furnished over \$6,500,000 in lend-lease supplies to *Norway* since V-J Day. A 50-million-dollar Export-Import Bank credit was extended in March 1947. The Coast and Geodetic Survey has aided Norway in special tide predictions for nine ports.

Credits of 40 million dollars from the Export-Import Bank and 50 million dollars for the purchase of surplus war property were made available to *Poland*. Equipment and materials for agricultural and industrial rehabilitation were shipped by UNRRA to the value of almost 140 million dollars through January 1947.

*Portuguese* personnel have been trained in weather-observation techniques and in the operation of communication equipment by the War Department and the Civil Aeronautics Administration. Fixed installations in the Azores were transferred to Portugal.

The United States has transferred to *Spain*, for half the original cost, certain airstrips, housing, and weather-reporting facilities constructed in the Spanish West African colony of Rio de Oro and used for maintaining air communication with the European theater of operations.

The "lend-lease pipe line" agreement of October 15, 1945, with the *Soviet Union* called for the delivery of some 250 million dollars in goods, for which the Soviet Union will pay in 22 annual instalments beginning in 1954. The program of UNRRA shipments included some 69 million dollars for rehabilitation supplies for the Ukraine and \$23,205,000 for similar goods for Byelorussia.

Supplies for industrial rehabilitation amounting to \$109,249,000 and for agricultural rehabilitation amounting to \$37,188,000 were included in the United States share of the UNRRA program for *Yugoslavia*. Of these amounts 79 percent and 78 percent, respectively, had been delivered as of January 31, 1947.

#### **Near East and Africa**

Export-Import Bank credits of over 30 million dollars, cultural-cooperation programs costing approximately \$500,000, bulk sales of surplus property on terms highly advantageous to the countries

concerned, and other types of aid were rendered by the United States in the recent period to the countries of Africa and the Near and Middle East.

More than 18 million dollars in credits was made available to countries in these regions, during the fiscal year ending June 30, 1946, for the purchase of surplus United States war property.

Approximately 10 million dollars' worth of lend-lease goods was moved into *Burma* by the United Kingdom armed forces. The United States cultural program for Burma includes maintenance of information services at Rangoon.

The bulk-sale agreement of June 15, 1946, with *Egypt* provided that a considerable part of the proceeds received by the United States would be used for acquisition of official real estate in Egypt and for cultural exchange. An airport near Cairo was transferred to Egypt under the agreement.

An Export-Import Bank credit of 3 million dollars and a credit of one million dollars for the purchase of surplus property were made available to *Ethiopia*. Vehicles (\$350,000), agricultural machinery (\$400,000), and hospital supplies (\$400,000) are included in the UNRRA program for Ethiopia.

Under the mutual-aid settlement of May 16, 1946, with *India*, that country is to retain the first 50 million dollars of the proceeds of the sale of surplus American war property in India plus one half of the remainder. The United States had transferred to India 174 fixed installations, including 62 airports, by March 31, 1946.

Lend-lease aid furnished to *Iran* in fiscal 1946 amounted to \$4,803,538. By April 1946, surplus property costing \$72,293,000 had been sold to Iran for \$24,867,000. Sixty-one fixed war installations in Iran were disposed of by March 31, 1946.

Approximately \$41,000 has been spent by the United States since mid-1945 for educational aid to *Iraq*.

The United States has granted \$80,000 to the American University at Beirut, *Lebanon*, and the International College at that city, and has made grants totaling over \$10,000 for other educational projects in Lebanon.

Approximately \$19,200,000 in lend-lease funds has been allotted for construction of a port at Monrovia, *Liberia*. The cost is to be repaid from port revenue. An American economic mission and a public-health service mission have been operating in Liberia in the recent period.

Educational aid to *Syria* included \$10,000 for Damascus College and several thousand dollars for travel grants and presentation of books.

Credits to *Saudi Arabia* were granted in the amounts of 10 million dollars by the Export-Import Bank and 2 million dollars for the purchase of surplus war property. The United States also transferred the air base at Dhahran to Saudi Arabia on March 15, 1946.

Assistance to *Turkey* since V-E Day has included credits of 40 million dollars for general economic improvement, purchase of surplus property, and purchase of ships from the Maritime Commission; cultural grants of \$60,000 to Robert College, \$15,000 to Women's College at Istanbul, and others; and sale to Turkey for \$862,000 of airfields and other installations costing \$1,474,000.

#### Far East

Outstanding examples of recent American aid are the extensive assistance rendered to China in the form of credits, lend-lease materials, and "hard goods" distributed through UNRRA, and the special cooperation with the Philippine Republic under the Philippine Rehabilitation Act.

Export-Import Bank credits totaling 82.8 million dollars have been made available to China since March 1945. Certain surplus United States war property was sold to China for a fraction of its cost. The sum of 620 million dollars is authorized to be appropriated, in various categories, by the Philippine Rehabilitation Act.

Lend-lease aid supplied to *China* from September 2, 1945, to the end of 1946 amounted to approximately 700 million dollars. Surplus military materials costing about 62 million dollars have been sold to China for 20 million dollars. The United States transferred to China fixed installations valued at 84 million dollars. UNRRA shipments to that country of machinery for industrial and agricultural rehabilitation totaled some \$97,900,000 through January 1947.

Titles I to III of the Philippine Rehabilitation Act of April 30, 1946, authorized the appropriation or expenditure of 400 million dollars for private war-damage claims; surplus property costing originally 100 million dollars; and 120 million dollars for public roads, port facilities, et cetera. Actual appropriations have been passed for 10 million dollars under title I and \$43,918,000 under title III.

#### Occupied Countries

Loans for the purchase of surplus property amounting to 45 million dollars have been made available to Austria, Hungary, and Korea. Substantial amounts of "hard goods" have been distributed through UNRRA to Austria and Hungary. Germany, Japan, and Rumania have also received American economic aid, but no significant American aid in the categories under consideration appears to have been extended to Bulgaria.

During 1945-47 the War Department spent \$51,500,000 for civilian supply in *Austria*. Credits were granted of one million dollars by the Export-Import Bank and 10 million dollars for purchase of surplus property (but only 2 million dollars' worth of the articles was found to be suitable for purchase). UNRRA shipments of agricultural supplies and equipment amounted to \$2,022,801 in fiscal 1946 and (projected) 20 million dollars for fiscal 1947.

From August 1945 through December 1946, the United States imported into *Germany* some 352 million dollars' worth of food, fuels, medical supplies, and raw cotton. It was announced on February 11, 1947, that the largest sale of American surplus property in Europe was under way in the United States zone of Germany.

Credits of 30 million dollars were extended to *Hungary* for the purchase of American surplus war property. The United States has returned to Hungary a sizable quantity of gold which had been removed from Hungary by the Germans. As of January 31, 1947, industrial-rehabilitation material amounting to \$250,000 had been shipped to Hungary.

An appropriation of 186 million dollars for *Japan* for the fiscal year 1947 has been spent primarily for foodstuffs, agricultural supplies, medical supplies, civilian pay, and commercial ocean-transportation costs.

The 1947 War Department appropriation for South *Korea* was a little over 70 million dollars. A credit of 25 million dollars was granted to the military government for the purchase of Army surplus property. UNRRA allocations for South Korea have been limited to 500 million dollars.

As requested by President Truman on February 17, 1947, the American Red Cross appropriated \$3,500,000 to finance and supervise distribution of relief supplies in *Rumania*.

## DEVELOPMENT OF THE ARAB LEAGUE

*The active role being taken by member states of the Arab League in the United Nations lends increased importance to an understanding of the underlying forces which led to the creation of the Arab League and of the actual functions of the League as envisaged by its founders.*

Following the Arab conquests of the seventh century, the Arab lands of the Near East achieved a notable degree of cultural uniformity whose roots lay in the common language, Arabic, and religion, Islam, of the region. On this basis was established a strong feeling of solidarity among the Arab and Arabized peoples, but at that time, as in the Western World, primary allegiance was accorded the head of the religious state.

A movement toward lay nationalism in the western sense began to develop in the nineteenth century. It first manifested itself in secret societies which worked to revive Arab culture and to spread knowledge of the Arab heritage among the people of the Arab lands. Under the continued oppression of the Ottoman Empire, this newly awakened Arab nationalism turned to political activity designed to free the Arabs from Turkish domination; in the Arab revolt during World War I many leaders were drawn from the ranks of these secret societies.

The political division of the area after the first World War only stimulated the ideal of Arab co-operation. Although each of the newly created states was faced with the primary concern of winning its own independence, many nationalists and political parties at the same time desired to see an increase in the degree of unity and close cooperation between the Arab countries. During World War II the unification of the Arab lands under Allied command gave further impetus to the advocates of Arab unity. From political parties and individual nationalists the movement spread into official and government circles.

The favorable attitude of Great Britain was illustrated on May 29, 1941, when the British Secretary of State for Foreign Affairs, Anthony Eden, said:

"It seems to me both natural and right that the cultural and economic ties between the Arab countries and the political ties, too, should be strengthened. His Majesty's Government for their part will give their full support to any scheme that commands general approval."

In 1942, Nuri Pasha al-Sa'id, the Prime Minister of Iraq, submitted to Arab leaders and to British authorities a plan for "Arab independence and unity" in the form of a "Blue Book". His plan entailed the reuniting of fragmented pre-war Syria to be joined in a union with Iraq to which the other Arab states might voluntarily adhere and which would deal with the common problems of the Arab countries. However, Nuri Pasha's plan did not represent a solution acceptable to all the Arab states, and discussions to discover a better means continued in Arab circles.

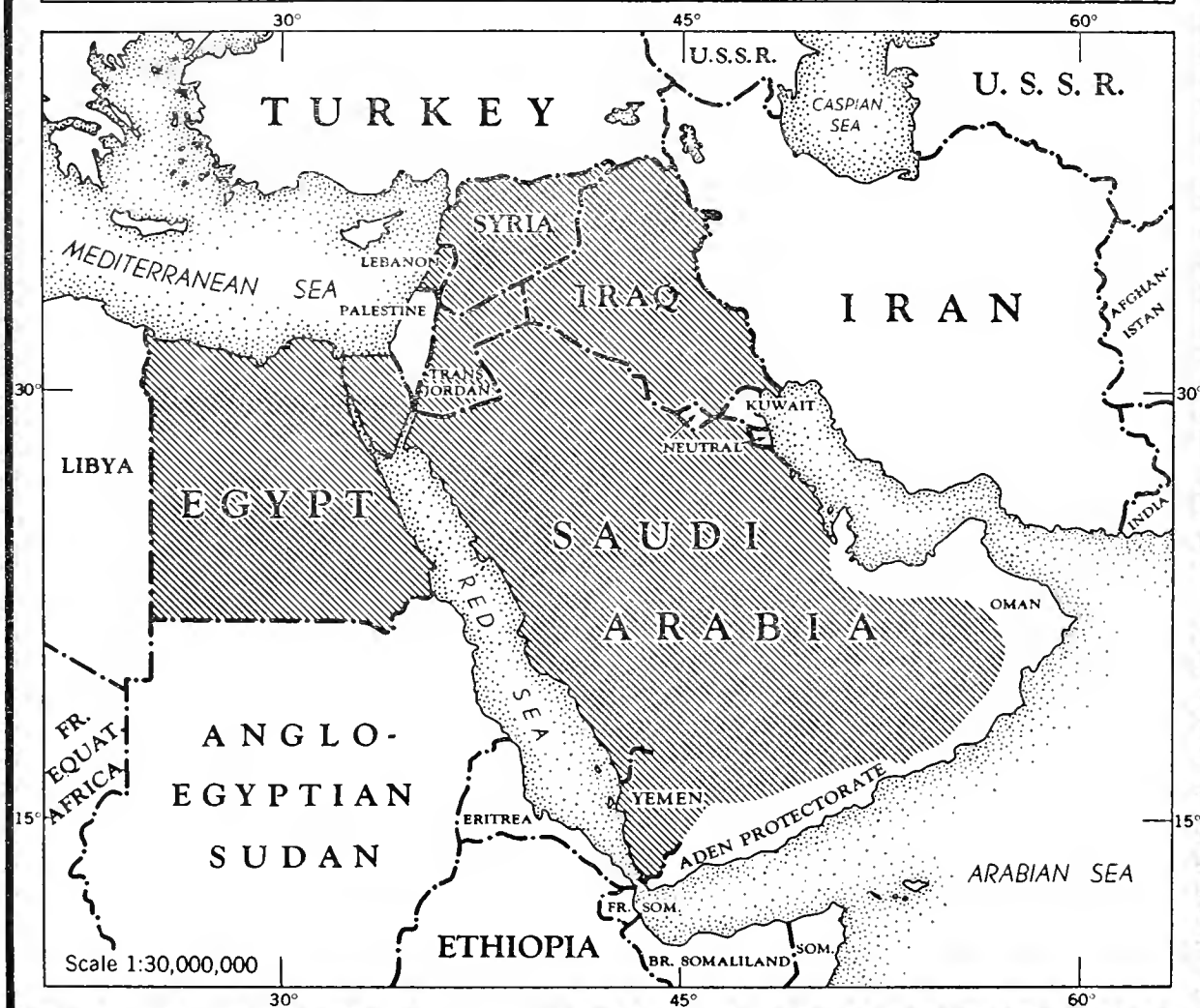
In the meantime, on February 24, 1943, Mr. Eden, speaking in Parliament, again expressed the views of the Churchill government:

"As they have already made plain, His Majesty's Government would view with sympathy any movement among Arabs to promote their economic, cultural, or political unity. But clearly the initiative in any scheme would have to come from the Arabs themselves, and so far as I am aware no such scheme, which would command general approval, has yet been worked out."

On March 30, 1943, the Egyptian Senate was informed that Prime Minister Mustafa al-Nahhas Pasha, long interested in the Arab unity movement, had decided, following Mr. Eden's statement, to contact the various Arab governments separately in order to ascertain their views on Arab union. If these views proved to be sufficiently compatible to permit further discussion,



# THE ARAB LEAGUE



Department of State, Map Division  
10709 May 1947

G.P.O.—Department of State Service Office

a preliminary meeting of representatives of all Arab states would be called in Cairo. Should that be successful, a general congress would be convened to decide the extent and form of Arab co-operation.

From July 31 to August 6, 1943, therefore, Nahhas and Nuri conferred in Alexandria, Egypt, and despite the differences in the plans of the two leaders, agreement on general principles was reached.

Further discussions were then launched with

other Arab leaders in order to resolve any existing difficulties. From August 28 to September 1, 1943, conferences in Alexandria between Nahhas and the Prime Minister of Trans-Jordan, Tawfiq Abu al-Huda, resulted in agreement by Amir "Abdallah" of Trans-Jordan to an over-all Arab union instead of a monarchical Greater Syria under his rule.

The initial hesitation of King Ibn Saud to commit his country to a plan whose aims were not yet clarified was partly overcome by the efforts of

an Egyptian envoy to Riyadh in mid-September 1943, and by discussions between Nahhas and Saudi Arabian representative Yusuf Yasin in Alexandria and Cairo from October 11 to November 2, 1943.

Talks were held between Egyptian officials and Syrian Prime Minister Sa'dallah al-Jabri and Foreign Minister Jamil Mardam in Alexandria and Cairo between October 26 and November 3, 1943. The Syrian response was enthusiastic and, because of the friendly relations between Syria and Saudi Arabia, served to increase the interest of Ibn Saud in Arab union affairs.

Discussions with Lebanon were postponed until January 9 to 13, 1944, because of the November 1943 crisis between the Lebanese Government and the French mandatory authorities. However, since the incident resulted in a greater degree of independence for Lebanon, that country acquired thereby a more decisive voice in the Arab union discussions.

Following an exchange of Saudi-Yemen views, discussions between Egyptian and Yemeni officials were held in Egypt from February 6 to 9, 1944. Additional visits were also exchanged between leaders of the various Arab states during the first quarter of 1944.

On July 4, 1944, the Egyptian Government issued invitations to the Governments of Iraq, Trans-Jordan, Lebanon, Syria, Saudi Arabia, and the Yemen to meet in Alexandria in the beginning of August. A postponement became necessary, however, and the meeting was therefore called for September 25.

Meanwhile from August 12 to 19, 1944, a congress of Arab lawyers was held in Damascus at which all the Arab states with the exception of Saudi Arabia and the Yemen were represented. The congress drew up a seven-point program for a unification of the legal systems of the Arab countries. Thus, prominent members of the legal profession, holding key positions in the political systems of their respective countries, indicated their readiness for an Arab union.

On the scheduled date in September, the Arab delegates met in Alexandria, the customary seat of the Egyptian Government during the summer months. Egypt's official delegation was headed by Prime Minister Mustafa al-Nahhas; Iraq's, by Prime Minister Hamdi al-Pachachi (Nuri al-Sa'id, who at that time held no ministerial position, was

a member of the delegation); Trans-Jordan's, by Prime Minister Tawfiq Abu al-Huda; Syria's, by Prime Minister Sa'dallah al-Jabri; and Lebanon's, by Prime Minister Riyad al-Sulh. Ibn Saud had reserved his decision, and it was not before the third session, held on October 1, 1944, that Yusuf Yasin took his place at the conference table as the Saudi delegate. The Yemen's representative, Husayn al-Kibsi, was admitted as an "observer" until the last meeting, when the Imam's confirmation of Kibsi's status as a delegate was received. Palestine was represented by an unofficial delegate, Musa al-'Alami, a well-known Palestinian nationalist, who had been chosen by the various Arab parties in Palestine.

The meeting lasted for two weeks and was presented with a wide range of problems for discussion. The last session, on October 7, 1944, was devoted to the preparation of a communiqué, publishing the so-called Alexandria protocol, which summarized the achievements of the conference. The document, indicating a considerable measure of agreement among the delegates of the Arab countries, was at once signed by all of the latter, except the representatives of Saudi Arabia and the Yemen who did not have the authority to do so. Those countries later signed the protocol—Saudi Arabia on January 7, 1945, and the Yemen on February 4, 1945. The most promising features of the protocol were its moderation and flexibility.

A meeting of the Foreign Ministers of the Arab states had been scheduled to convene in Cairo in January 1945 for the purpose of drafting the constitution of the Arab League. Again a postponement proved necessary, and the meeting took place in Cairo from February 15 to March 3, 1945. Palestine was represented, but no delegate from the Yemen appeared. Changes had occurred in nearly all of the governments represented, and it was an indication of the strength of the feeling of Arab solidarity that the newly appointed officials could continue the work of their predecessors without any perceptible interruption. The meeting was successful in disposing of several of the problems before it, and a full meeting of the delegates of all Arab countries was convoked in Cairo on March 17, 1945. At its close, on March 22, 1945, the pact of the League of Arab States was promulgated; this date marks the birth of the Arab League.

British approval of the new organization was



indicated by the Minister of State, Richard Law, who said in Parliament on May 9, 1945:

"His Majesty's Government have welcomed the successful formation of the League of the Arab States. They will await with sympathy and interest the results of the detailed conversations which are now to be begun for reducing the various barriers which divide the Arab peoples and for promoting cooperation between them. They

hope that these discussions will yield useful and practical results."

Under article 20, the pact was to come into force 15 days after the Secretariat-General of the Council of the League had received the instrument of ratification from four member states. By April 25, 1945, Saudi Arabia, Egypt, Trans-Jordan, and Iraq had deposited their ratifications, and the League came legally into existence on May 10, 1945.

### TEXT OF THE ALEXANDRIA PROTOCOL<sup>1</sup>

The undersigned, chiefs and members of Arab delegations at the Preliminary Committee of the General Arab Conference, viz:

#### *The President of the Preliminary Committee*

H.E. Mustafa al-Nahhas Pasha, Egyptian Prime Minister and Minister of Foreign Affairs; head of the Egyptian delegation;

#### *Syrian Delegation*

H.E. Sa'dallah al-Jabiri, Syrian Prime Minister and head of the Syrian delegation;

H.E. Jamil Mardam Bey, Minister of Foreign Affairs;

H.E. Dr. Nagib al-Armanazi, Secretary General of the Presidency of the Syrian Republic;

H.E. M. Sabri al-'Asali, deputy of Damascus;

#### *Trans-Jordanian Delegation*

H.E. Tawfiq Abu al-Huda Pasha, Trans-Jordanian Prime Minister and Minister of Foreign Affairs, head of the Trans-Jordanian delegation;

H.E. Sulayman al-Sukkar Bey, Financial Secretary of the Ministry of Foreign Affairs;

#### *Iraqi Delegation*

H.E. Hamdi al-Bahjaji, Iraqi Prime Minister and head of the Iraqi delegation;

H.E. Arshad al-'Umari, Minister of Foreign Affairs;

H.E. Nuri al-Sa'id, former Iraqi Prime Minister;

H.E. Tahsin al-'Askari, Iraqi Minister Plenipotentiary in Egypt;

#### *Lebanese Delegation*

H.E. Riyad al-Sulh Bey, Lebanese Prime Minister and head of the Lebanese delegation;

H.E. Salim Taqla Bey, Minister of Foreign Affairs;

H.E. Musa Mubarak, Chief of the Presidential Cabinet;

#### *Egyptian Delegation*

H.E. Nagib al-Hilali Pasha, Minister of Education;

H.E. Muhammad Sabri Aub-'Alam Pasha, Minister of Justice;

H.E. Muhammad Salah-al-din Bey, Under Secretary of State of the Ministry of Foreign Affairs,

Anxious to strengthen and consolidate the ties which bind all Arab countries and to direct them toward the welfare of the Arab world, to improve its conditions, insure its future, and realize its hopes and aspirations,

And in response to Arab public opinion in all Arab countries,

Have met at Alexandria from Shawwal 8, 1363 (September 25, 1944) to Shawwal 20, 1363 (October 7, 1944) in the form of a Preliminary Committee of the General Arab Conference, and have agreed as follows:

### 1. League of Arab States

A League will be formed of the independent Arab States which consent to join the League. It will have a council which will be known as the "Council of the League of Arab States" in which all participating states will be represented on an equal footing.

The object of the League will be to control the execution of the agreements which the above states will conclude; to hold periodic meetings which will strengthen the relations between those states; to coordinate their political plans so as to insure their cooperation, and protect their independence and sovereignty against every aggression by suitable means; and to supervise in a general way the affairs and interests of the Arab countries.

The decisions of the Council will be binding on those who have accepted them except in cases where a disagreement arises between two member states of the League in which the two parties shall refer their dispute to the Council for solution. In this case the decision of the Council of the League will be binding.

In no case will resort to force to settle a dispute between any two member states of the League be allowed. But every state shall be free to conclude with any other member state of the League, or other powers, special agreements which do not contradict the text or spirit of the present dispositions.

In no case will the adoption of a foreign policy which may be prejudicial to the policy of the League or an individual member state be allowed.

The Council will intervene in every dispute which may lead to war between a member state of the League and any other member state or power, so as to reconcile them.

A subcommittee will be formed of the members of the Preliminary Committee to prepare a draft of the statutes of the Council of the League and to examine the political

<sup>1</sup> Translation of the official communiqué of the Pan-Arab Preliminary Conference made by the American Legation, Cairo; and collated with the Arabic text published in *al-Ahram* (Cairo), Oct. 8, 1944, p. 3.

questions which may be the object of agreement among Arab States.

## **2. Cooperation in Economic, Cultural, Social, and Other Matters**

A. The Arab States represented on the Preliminary Committee shall closely cooperate in the following matters:

- (1) Economic and financial matters, i.e., commercial exchange, customs, currency, agriculture, and industry.
- (2) Communications, i.e., railways, roads, aviation, navigation, posts and telegraphs.
- (3) Cultural matters.
- (4) Questions of nationality, passports, visas, execution of judgments, extradition of criminals, etc.
- (5) Social questions.
- (6) Questions of public health.

B. A subcommittee of experts for each of the above subjects will be formed in which the states which have participated in the Preliminary Committee will be represented. This subcommittee will prepare draft regulations for cooperation in the above matters, describing the extent and means of that collaboration.

C. A committee for coordination and editing will be formed whose object will be to control the work of the other subcommittees, to coordinate that part of the work which is accomplished, and to prepare drafts of agreements which will be submitted to the various governments.

D. When all the subcommittees have accomplished their work the Preliminary Committee will meet to examine the work of the subcommittees as a preliminary step toward the holding of the General Arab Conference.

## **3. Consolidation of These Ties in the Future**

While expressing its satisfaction at such a happy step, the Committee hopes that Arab States will be able in the future to consolidate that step by other steps, especially if post-war world events should result in institutions which will bind various Powers more closely together.

## **4. A Special Resolution Concerning Lebanon**

The Arab States represented on the Preliminary Com-

mittee emphasize their respect of the independence and sovereignty of Lebanon in its present frontiers, which the governments of the above States have already recognized in consequence of Lebanon's adoption of an independent policy, which the Government of that country announced in its program of October 7, 1943, unanimously approved by the Lebanese Chamber of Deputies.

## **5. A Special Resolution Concerning Palestine**

A. The Committee is of the opinion that Palestine constitutes an important part of the Arab World and that the rights of the Arabs in Palestine cannot be touched without prejudice to peace and stability in the Arab World.

The Committee also is of the opinion that the pledges binding the British Government and providing for the cessation of Jewish immigration, the preservation of Arab lands, and the achievement of independence for Palestine are permanent Arab rights whose prompt implementation would constitute a step toward the desired goal and toward the stabilization of peace and security.

The Committee declares its support of the cause of the Arabs of Palestine and its willingness to work for the achievement of their legitimate aims and the safeguarding of their just rights.

The Committee also declares that it is second to none in regretting the woes which have been inflicted upon the Jews of Europe by European dictatorial states. But the question of these Jews should not be confused with Zionism, for there can be no greater injustice and aggression than solving the problem of the Jews of Europe by another injustice, i.e., by inflicting injustice on the Arabs of Palestine of various religions and denominations.

B. The special proposal concerning the participation of the Arab Governments and peoples in the "Arab National Fund" to safeguard the lands of the Arabs of Palestine shall be referred to the committee of financial and economic affairs to examine it from all its angles and to submit the result of that examination to the Preliminary Committee in its next meeting.

In faith of which this protocol has been signed at Faruq I University at Alexandria on Saturday, Shawwal 20, 1363 (October 7, 1944).

## **TEXT OF THE PACT OF THE LEAGUE OF ARAB STATES<sup>2</sup>**

His Excellency the President of the Syrian Republic;<sup>3</sup>  
His Royal Highness the Amir of Trans-Jordan;  
His Majesty the King of Iraq;  
His Majesty the King of Saudi Arabia;  
His Excellency the President of the Lebanese Republic;  
His Majesty the King of Egypt;  
His Majesty the King of the Yemen;

Desirous of strengthening the close relations and numerous ties which link the Arab States;

And anxious to support and stabilize these ties upon a basis of respect for the independence and sovereignty of

these states, and to direct their efforts toward the common good of all the Arab countries, the improvement of their status, the security of their future, the realization of their aspirations and hopes;

And responding to the wishes of Arab public opinion in all Arab lands;

Have agreed to conclude a Pact to that end and have

<sup>2</sup>Translation of the Arabic text which appeared in *al-Ahram* (Cairo), Mar. 23, 1945.

<sup>3</sup>The listing follows the order of the Arabic alphabet.

appointed as their representatives the persons whose names are listed hereinafter:

The President of the Syrian Republic; who has appointed as representatives for Syria: His Excellency Faris al-Khuri, Prime Minister; His Excellency Jamil Mardam Bey, Minister of Foreign Affairs;

His Royal Highness the Amir of Trans-Jordan; who has appointed as representatives for Trans-Jordan: His Excellency Samir al-Rafa'i Pasha, Prime Minister; His Excellency Sa'id al-Mufti Pasha, Minister of the Interior; Sulayman al-Nabulusi Bey, Secretary of the Cabinet;

His Majesty the King of Iraq; who has appointed as representatives for Iraq: His Excellency Arshad al-'Umari, Minister of Foreign Affairs; His Excellency 'Ali Jawdat al-Ayyubi, Minister Plenipotentiary of Iraq in Washington; His Excellency Tabsin al-'Askari, Minister Plenipotentiary of Iraq in Cairo;

His Majesty the King of Saudi Arabia; who has appointed as representatives for Saudi Arabia: His Excellency the Sheikh Yusuf Yasin, Assistant Minister of Foreign Affairs; His Excellency Khayr-al-din al-Zirikli, Councillor of the Saudi Arabian Legation in Cairo;

His Excellency the President of the Lebanese Republic; who has appointed as representatives for Lebanon: His Excellency 'Abd-al-Hamid Karami, Prime Minister; His Excellency Yusuf Salim, Minister Plenipotentiary of Lebanon in Cairo;

His Majesty the King of Egypt; who has appointed as representatives for Egypt: His Excellency Mahmud Fahmi al-Nuqrashi Pasha, Prime Minister; His Excellency Muhammad Husayn Haykal Pasha, President of the Senate; His Excellency 'Abd-al-Hamid Badawi Pasha, Minister of Foreign Affairs; His Excellency Makram 'Ubayd Pasha, Minister of Finance; His Excellency Muhammad Hafiz Ramadan Pasha, Minister of Justice; His Excellency 'Abd-al-Razzaq Ahmad al-Sanhuri Bey, Minister of Education; Abd-al-Rahman 'Azzam Bey, Minister Plenipotentiary in the Ministry of Foreign Affairs;

His Majesty the King of the Yemen; [who] has appointed as representatives for the Yemen: -----<sup>4</sup>;

who, after having exchanged their plenary powers which were found to be in good and due form, have agreed upon the following provisions:

#### Article 1

The League of Arab States<sup>5</sup> is composed of the independent Arab States which have signed this Pact.

Any independent Arab State has the right to become a member of the League. If it desires to do so, it shall submit a request which will be deposited with the Permanent Secretariat General and submitted to the Council at the first meeting held after submission of the request.

<sup>4</sup> Left blank, evidently to be filled in when the Yemeni delegation has been made official. His Excellency al-Sayyid Husayn al-Kibsi was subsequently appointed representative of the Yemen.

<sup>5</sup> Arabic: *Jam'iyyat al-dawal al-'Arabiyyah*.

<sup>6</sup> Arabic: *Majlis*.

<sup>7</sup> Arabic: *Lajnah*.

#### Article 2

The League has as its purpose the strengthening of the relations between the member states; the coordination of their policies in order to achieve cooperation between them and to safeguard their independence and sovereignty; and a general concern with the affairs and interests of the Arab countries. It has also as its purpose the close cooperation of the member states, with due regard to the organization and circumstances of each state, on the following matters:

A. Economic and financial affairs, including commercial relations, customs, currency, and questions of agriculture and industry.

B. Communications; this includes railroads, roads, aviation, navigation, telegraphs, and posts.

C. Cultural affairs.

D. Nationality, passports, visas, execution of judgments, and extradition of criminals.

E. Social affairs.

F. Health problems.

#### Article 3

The League shall possess a Council<sup>6</sup> composed of the representatives of the member states of the League; each state shall have a single vote, irrespective of the number of its representatives.

It shall be the task of the Council to achieve the realization of the objectives of the League and to supervise the execution of agreements which the member states have concluded on the questions enumerated in the preceding article, or on any other questions.

It likewise shall be the Council's task to decide upon the means by which the League is to cooperate with the international bodies to be created in the future in order to guarantee security and peace and regulate economic and social relations.

#### Article 4

For each of the questions listed in Article 2 there shall be set up a special committee<sup>7</sup> in which the member states of the League shall be represented. These committees shall be charged with the task of laying down the principles and extent of cooperation. Such principles shall be formulated as draft agreements, to be presented to the Council for examination preparatory to their submission to the aforesaid states.

Representatives of the other Arab countries may take part in the work of the aforesaid committees. The Council shall determine the conditions under which these representatives may be permitted to participate and the rules governing such representation.

#### Article 5

Any resort to force in order to resolve disputes arising between two or more member states of the League is prohibited. If there should arise among them a difference which does not concern a state's independence, sovereignty, or territorial integrity, and if the parties to the dispute have recourse to the Council for the settlement of this difference, the decision of the Council shall then be enforceable and obligatory.

In such a case, the states between whom the difference has arisen shall not participate in the deliberations and decisions of the Council.

The Council shall mediate in all differences which threaten to lead to war between two member states, or a member state and a third state, with a view to bringing about their reconciliation.

Decisions of arbitration and mediation shall be taken by majority vote.

#### Article 6

In case of aggression or threat of aggression by one state against a member state, the state which has been attacked or threatened with aggression may demand the immediate convocation of the Council.

The Council shall by unanimous decision determine the measures necessary to repulse the aggression. If the aggressor is a member state, his vote shall not be counted in determining unanimity.

If, as a result of the attack, the government of the state attacked finds itself unable to communicate with the Council, that state's representative in the Council shall have the right to request the convocation of the Council for the purpose indicated in the foregoing paragraph. In the event that this representative is unable to communicate with the Council, any member state of the League shall have the right to request the convocation of the Council.

#### Article 7

Unanimous decisions of the Council shall be binding upon all member states of the League; majority decisions shall be binding only upon those states which have accepted them.

In either case the decisions of the Council shall be enforced in each member state according to its respective basic laws.<sup>5</sup>

#### Article 8

Each member state shall respect the systems of government established in the other member states and regard them as exclusive concerns of those states. Each shall pledge to abstain from any action calculated to change established systems of government.

#### Article 9

States of the League which desire to establish closer cooperation and stronger bonds than are provided by this Pact may conclude agreements to that end.

Treaties and agreements already concluded or to be concluded in the future between a member state and another State shall not be binding or restrictive upon other members.

#### Article 10

The permanent seat of the League of Arab States is established in Cairo. The Council may, however, assemble at any other place it may designate.

#### Article 11

The Council of the League shall convene in ordinary session twice a year, in March and in October. It shall

convene in extraordinary session upon the request of two member states of the League whenever the need arises.

#### Article 12

The League shall have a permanent Secretariat General<sup>9</sup> which shall consist of a Secretary General,<sup>10</sup> Assistant Secretaries, and an appropriate number of officials.

The Council of the League shall appoint the Secretary General by a majority of two-thirds of the states of the League. The Secretary General, with the approval of the Council shall appoint the Assistant Secretaries and the principal officials of the League.

The Council of the League shall establish an administrative regulation<sup>11</sup> for the functions of the Secretariat General and matters relating to the Staff.

The Secretary General shall have the rank of Ambassador and the Assistant Secretaries that of Ministers Plenipotentiary.

The first Secretary General of the League is named in an Annex to this Pact.

#### Article 13

The Secretary General shall prepare the draft of the budget of the League and shall submit it to the Council for approval before the beginning of each fiscal year.

The Council shall fix the share of the expenses to be borne by each state of the League. This share may be reconsidered if necessary.

#### Article 14

The members of the Council of the League as well as the members of the committees and the officials who are to be designated in the administrative regulation shall enjoy diplomatic privileges and immunity when engaged in the exercise of their functions.

The buildings occupied by the organs of the League shall be inviolable.

#### Article 15

The first meeting of the Council shall be convened at the invitation of the head of the Egyptian Government. Thereafter it shall be convened at the invitation of the Secretary General.

The representatives of the member states of the League shall alternately assume the presidency of the Council at each of its ordinary sessions.

#### Article 16

Except in cases specifically indicated in this Pact, a majority vote of the Council shall be sufficient to make enforceable decisions on the following matters:

- A. Matters relating to personnel.
- B. Adoption of the budget of the League.
- C. Establishment of the administrative regulations for the Council, the committees, and the Secretariat General.
- D. Decisions to adjourn the sessions.

<sup>8</sup> Arabic: *al-nuzum al-asasiyyah*.

<sup>9</sup> Arabic: *Amanah 'ammah*.

<sup>10</sup> Arabic: *al-amin al-'amm*.

<sup>11</sup> Arabic: *nizam dakhili*.

#### Article 17

Each member state of the League shall deposit with the Secretariat General one copy of every treaty or agreement concluded or to be concluded in the future between itself and another member state of the League or a third state.

#### Article 18

If a member state contemplates withdrawal from the League, it shall inform the Council of its intention one year before such withdrawal is to go into effect.

The Council of the League may consider any state which fails to fulfill its obligations under this Pact as having become separated from the League, this to go into effect upon a unanimous decision of the states, not counting the state concerned.

#### Article 19

This Pact may be amended with the consent of two-thirds of the states belonging to the League, especially in order to make firmer and stronger the ties between the member states, to create an Arab Tribunal of Arbitration, and to regulate the relations of the League with any international bodies to be created in the future to guarantee security and peace.

Final action on an amendment cannot be taken prior to the session following the session in which the motion was initiated.

If a state does not accept such an amendment it may withdraw at such time as the amendment goes into effect, without being bound by the provisions of the preceding article.

#### Article 20

This Pact and its Annexes shall be ratified according to the basic laws in force among the High Contracting Parties.

The instruments of ratification shall be deposited with the Secretariat General of the Council and the Pact shall become operative as regards each ratifying state fifteen days after the Secretary General has received the instruments of ratification from four states.

This Pact has been drawn up in Cairo in the Arabic language on this 8th day of Rabi' II, thirteen hundred and sixty-four (March 22, 1945), in one copy which shall be deposited in the safe keeping of the Secretariat General.

An identical copy shall be delivered to each state of the League.

[Here follow the signatures.]

<sup>12</sup> Referring to Palestine. The phraseology of the Arabic text is ambiguous, perhaps intentionally; but the context would seem to bear out this interpretation.

<sup>13</sup> Arabic: *mustaqillah binafsiha*, which could also be rendered "independent in itself".

### (1) Annex Regarding Palestine

Since the termination of the last great war the rule of the Ottoman Empire over the Arab countries, among them Palestine, which had become detached from that Empire, has come to an end. She<sup>12</sup> has come to be autonomous,<sup>13</sup> not subordinate to any other state.

The Treaty of Lausanne proclaimed that her future was to be settled by the parties concerned.

However, even though she was as yet unable to control her own affairs, the Covenant of the League [of Nations] in 1919 made provision for a regime based upon recognition of her independence.

Her international existence and independence in the legal sense cannot, therefore, be questioned, any more than could be the independence of the other Arab countries.

Although the outward manifestations of this independence have remained obscured for reasons beyond her control, this should not be allowed to interfere with her participation in the work of the Council of the League.

The nations signatory to the Pact of the Arab League are therefore of the opinion that, considering the special circumstances of Palestine, and until that country can effectively exercise its independence, the Council of the League should take charge of the selection of an Arab representative from Palestine to take part in its work.

### (2) Annex Regarding Cooperation With Countries Which Are Not Members of the Council of the League

WHEREAS the member states of the League will have to deal in the Council as well as in the committees with matters which will benefit and affect the Arab world at large;

AND WHEREAS the Council has to take into account the aspirations of the Arab countries which are not members of the Council and has to work toward their realization;

Now therefore, it particularly behooves the states signatory to the Pact of the Arab League to enjoin the Council of the League, when considering the admission of those countries to participation in the committees referred to in the Pact, that it should do its utmost to cooperate with them; and furthermore, that it should spare no effort to learn their needs and understand their aspirations and hopes; and that it should work thenceforth for their best interests and the safeguarding of their future with all the political means at its disposal.

### (3) Annex Regarding the Appointment of a Secretary General of the League

The states signatory to this Pact have agreed to appoint His Excellency Abd-al-Rahman 'Azzam Bey to be Secretary General of the League of Arab States.

This appointment is made for two years. The Council of the League shall hereafter determine the new regulations for the Secretariat General.

## THIRD SESSION OF THE INTERIM COMMISSION OF THE WORLD HEALTH ORGANIZATION

by H. van Zile Hyde

*The Interim Commission of the World Health Organization has focused attention upon malaria, tuberculosis, and venereal disease as the world health problems demanding first attention. It is giving particular consideration, as well, to planning a WHO attack upon the excessive death rate among infants in large sections of the world's population and to preparation for appropriate WHO action in the event of an influenza pandemic.*

The third session of the Interim Commission of the World Health Organization (WHO) was held at Geneva, March 30–April 12, 1947.

At this session the Commission, for purposes of planning the work of WHO, assigned priority to various world health problems. In considering the relationship of WHO to the United Nations, as well as to specialized agencies and nongovernmental health agencies, it established subcommittees of its Committee on Relations to undertake negotiations with certain of these organizations. The 1947 budget was revised in the light of the Commission's experience since the International Health Conference. Further, a tentative budget estimate amounting to \$4,800,000 for the year 1948 was approved for submission to the General Assembly of the United Nations as the best available guide to the probable cost of the World Health Organization during that year.

Representatives of 16 of the 18 member states attended the session, Liberia and the Ukraine being absent. Dr. S. A. Kolesnikov represented the Union of Soviet Socialist Republics in place

of Dr. Fedor G. Krotkov, who was prevented by illness from attending. The United States was represented by Dr. H. van Zile Hyde, Alternate Representative on the Commission, and L. Wendell Hayes and Samuel T. Parelman of the Department of State, as advisers.

In view of the many health problems existing throughout the world, the Commission recognized that it must focus attention upon those of first importance, in the solution of which tangible results might be expected. Consequently it was determined that top priority should be given to malaria, tuberculosis, and venereal disease; each of these presents a problem of first magnitude on a wide geographic basis. The war has had serious detrimental effects in regard to each and has contributed new knowledge and techniques to their control. The priority assigned to these problems permits the employment, by the executive secretary, of a specialist in each field and the appointment of expert committees to develop specific program proposals for consideration by the First World Health Assembly.

A similar priority was assigned to the problems of influenza and of infant mortality. In the case of influenza it was considered to be an urgent matter for WHO or its Interim Commission, in the event of a pandemic, to be prepared to make immediate recommendations concerning the value of widespread immunization and concerning action to be taken by national health services. The executive secretary was requested to consult with the Congress of Microbiologists meeting at Copenhagen on July 20 concerning the effectiveness of new influenza vaccines. With regard to infant mortality the Commission recognized that great progress in the reduction of infant death rates had been made in certain countries, whereas infant mortality continued at a distressingly high rate in many others. It was hoped that some practical means could be found of assisting these latter countries in applying the principles and practices effective elsewhere. The Representative of the Union of Soviet Socialist Republics stressed the effective manner in which his country had reduced its infant mortality and expressed the wish of his country to make available to others the knowledge and experience that it had gained in this matter.

The Commission expected that, by concentrating its energy in these specific fields, a practical program could be presented to the First World Health Assembly for its consideration as the basis for the first year's work of WHO. Certain other matters were referred for further examination to the secretariat or to governments. After such examination these matters will come before the Commission for reconsideration, including methods whereby WHO can most effectively strengthen national health services; facilities for the training of public-health personnel; study of the world insulin supply in relation to increasing demand; international registration of cancer cases; control of schistosomiasis; methods for the control of alcoholism; and special problems relating to the smallpox immunity reaction and post-vaccinal encephalitis.

#### **Current Activities**

The third session of the Interim Commission took action to support or advance certain activities already under way or to be undertaken in the near future.

*Revision of Sanitary Conventions.* The Interim Commission is taking preliminary steps toward

the revision of existing international sanitary conventions. It is requesting governments to present recommendations concerning the modification of these conventions for consideration by an Expert Committee on Quarantine. Further, an Expert Committee on Pilgrimages met at Alexandria, Egypt, April 16-24, 1947, to develop recommendations, in the light of present-day knowledge, on the convention clauses designed to control epidemic disease in, and resulting from, the Moslem pilgrimages. Upon the invitation of the Egyptian Government the committee visited Red Sea ports and quarantine stations. The Commission also sent representatives to the Meeting of Experts on Passport and Frontier Formalities at Geneva on April 14, and to the General Conference of ICAO at Montreal on May 6 to consult with these groups on health and quarantine requirements affecting international travel. Dr. Fred L. Soper, Director of the Pan American Sanitary Bureau, is representing the Interim Commission of WHO at the ICAO Conference.

*Biological standardization.* An Expert Committee on Biological Standardization will meet at Geneva, June 9-14, to consider the steps to be taken in regard to the development of international standards for certain vitamins, vaccines, penicillins, streptomycin, and blood-grouping sera. This committee will also consider, with a view to approval, international standards established on an emergency basis during the war. Dr. Milton Veldee, of the National Institute of Health of the Public Health Service, is a member of this committee.

*International list of causes of death and morbidity.* An Expert Committee of the Interim Commission met at Ottawa, March 10-21, and approved a fundamental revision of the International Lists of Causes of Death and Morbidity. The committee has submitted the proposed revisions to governments for their comment and recommendations which will be considered at the second meeting, in September, after which final lists will be submitted to the Interim Commission. It is expected that these revised lists will be adopted on a world-wide basis for the classification of causes of death and that they will be available and internationally approved in time for use in connection with the 1950 census. Dr. W. Thurber Fales, Director of the Statistical Section of the Baltimore Health Department, is a member of this committee. Dr. S.



D. Collins, Chief Statistician of the U.S. Public Health Service, and Dr. Halbert L. Dunn, Director of the Office of Vital Statistics of the Public Health Service, are *ex officio* members of this committee, as rapporteurs of the United States Committee on Joint Causes of Death.

*Expert Committee on Malaria.* An Expert Committee on Malaria met at Geneva, April 21-26, to draw up recommendations concerning the program of WHO in this field. Dr. Paul Russell, of the Rockefeller Foundation, serves on this committee.

*Epidemiological information.* The Interim Commission is operating, from Geneva, the international exchange of epidemiological information, combining similar services previously performed by the *Office International d'Hygiène publique*, the League of Nations Health Section, and the Health Division of UNRRA. In this connection it maintains an Epidemiological Information Station in Singapore.

*International Pharmacopoeia.* The Interim Commission authorized the continuation of work previously under way in the Health Section of the League of Nations in the preparation of standards for inclusion in an International Pharmacopoeia. The surviving members of the League committee conducting this work will serve as the nucleus for a new similar committee. The Representative of Egypt stressed the importance, to the Arab world, of the early completion of the International Pharmacopoeia to supplant the several national pharmacopoeias in use and to avert the necessity of developing an official regional pharmacopoeia.

*Field services.* The third session of the Interim Commission approved a field-service program in countries which received UNRRA aid. The funds, \$1,500,000, under which this program is operating were obtained by transfer from UNRRA. The objective of the program is to maintain UNRRA assistance at a level essential to protect world health and to replenish the dwindling supply of trained health personnel in countries devastated by the war. The approved budget provides for programs in Austria (\$32,680), China (\$564,021), Czechoslovakia (\$67,500), Ethiopia (\$58,191), Finland (\$15,590), Greece (\$95,450), Hungary (\$44,977), Italy (\$51,267), Poland (\$94,483), Ukraine (\$59,633), and Yugoslavia (\$96,250). It includes provision for extending aid, as well, to Albania and Byelorussia if requests are received

from those countries by June 1. Of the total program, over \$400,000 will be devoted to fellowships, including a limited number available to Korea and the Philippines.

*Publications.* The Interim Commission has undertaken the publication of the following:

- (a) The official records of the International Health Conference and of the Interim Commission.
- (b) *The Weekly Epidemiological Record*, a statistical record of the incidence of important communicable diseases, with commentaries and graphs.
- (c) *The Chronicle of the World Health Organization* (Interim Commission), an informational publication to be printed monthly in the five official languages.
- (d) *The Bulletin of the World Health Organization* (Interim Commission), a quarterly scientific journal replacing the bulletins of the *Office International d'Hygiène publique* and of the League of Nations.
- (e) *The Quarterly Digest of Health Legislation*.

#### **Relations With Other Organizations**

The third session authorized the appointment of subcommittees of its Committee on Relations to negotiate with the United Nations, FAO, and UNESCO, with a view to developing draft agreements for submission to the First World Health Assembly and the appropriate body of the other organizations. These subcommittees are composed as follows:

Subcommittee on Negotiations With the United Nations: China, the Netherlands, the Union of Soviet Socialist Republics, and the United States.

Subcommittee on Negotiations With FAO: Australia, Mexico, and Norway.

Subcommittee on Negotiations With UNESCO: Brazil, France, the United Kingdom, and the United States.

The Subcommittee on Negotiations With FAO was authorized to act on behalf of the Interim Commission on a Joint Advisory Committee on Nutrition. The Subcommittee on Negotiations With UNESCO was authorized to establish, on

(Continued on page 983)

## INTERNATIONAL COOPERATION DURING THE WORLD SHORTAGE OF LUMBER

by Frank Whitehouse

*Lumber is needed for twenty to thirty million family dwelling units in Europe. One third of all dwellings in Great Britain were damaged or destroyed by enemy action. Vigorous international efforts are being made to send lumber to Europe for use in reconstruction.*

World War II generated a serious shortage of lumber throughout the world. Army cantonments, ships, military equipment, war plants, temporary housing, and boxing and crating all drained off lumber supplies from peacetime uses both among the Allies and in enemy countries. The use of lumber in private dwellings and commercial construction was restricted rigidly. The end of hostilities left the world with devastated areas, a shortage of housing and non-residential buildings, disturbed production and consumption patterns, and a shortage of lumber-producing equipment such as sawmills, trucks, and tractors.

From 20 to 30 million family dwelling units are needed in Europe alone. Poland reports that in addition to bombed-out city dwellings, 2 million rural families are living in holes in the ground. The housing crisis is not confined to bombed or other war-devastated areas; home construction in many countries has been at a standstill since 1939. Lumber is needed not only for new construction but for maintenance, without which many damaged buildings now in use soon will be beyond repair.

The extent of the shortage is evidenced by the world's lumber import requirements for 1946 of 15,400 million board feet, compared with approximate exports of only 8,800 million feet, a deficit of 6,600 million feet.<sup>1</sup>

### Lumber Situation in EEC Countries

The Emergency Economic Committee for

Europe, with headquarters in London, was established in 1945 to assist in the economic reconstruction of Europe. Belgium, Denmark, France, Greece, Luxembourg, the Netherlands, Norway, the United Kingdom, and the United States participate in this work. A subsidiary organization, the Timber Subcommittee, estimates that the softwood lumber requirements of the United Kingdom, Belgium, the Netherlands, France, Denmark, and Switzerland for 1947 total 7,342 million feet. These countries will have a supply of only about 5,002 million feet, of which 1,802 million feet will come from indigenous production and the balance from imports. The seriousness of the European lumber shortage is demonstrated by the fact that the 1947 supply will be only about 70 percent of stated requirements, which in turn are less than one half of normal pre-war consumption.

### United States Production and Exports

United States lumber production will probably total 36,000 million feet in 1947, compared with an average of 23,000 million feet during the years 1935-1939, inclusive.

Exports of lumber from the United States ranged from 974 to 1,439 million feet a year during the pre-war years 1935 to 1939, inclusive, or from 4.3 to 6.6 percent of domestic production. During and since the war exports have been restricted, but these controls are being relaxed gradually. In 1946 the United States restricted exports to 616 million feet, which was about 2 percent of domestic

<sup>1</sup> *Forestry and Forest Products, World Situation, 1937-1946* (Food and Agriculture Organization), p. 52.

production. Exports in 1947 are expected to be at least 1,200 million feet or about 3.3 percent of production. In pre-war years about one fourth of our exports went to Europe, but at present the Government is channeling about one half to that area.

### United States Imports

In the period 1935-1939, inclusive, imports of lumber averaged 607 million feet a year. During and since the war imports have been larger than during pre-war years.

Early in 1946 the President directed all Government agencies and departments to assist in all ways feasible the making available of additional materials for use in the veterans' emergency housing program.<sup>2</sup> Pursuant to this directive, the Department of State instructed the American embassies and consulates in certain countries to facilitate the shipment of lumber to the United States. The Department received a large number of requests for supply assistance from American companies in foreign countries producing lumber for shipment to the United States. These firms sought assistance in obtaining sawmill equipment, tractors, trucks, tires, and similar items. The Department made arrangements with the Department of Commerce by which most of the requests were granted, often on an ex-quota basis.

Import duties on the principal kinds of lumber were removed by presidential proclamation late in 1946. This emergency action was taken as a temporary measure at the suggestion of the National Housing Agency and with the concurrence of the Department.

Partly as a result of the foregoing measures, United States imports totaled 1,227 million feet in 1946—about twice the pre-war volume.

Canada has supplied more than 80 percent of the United States imports during the past 25 years. Other sources have been Europe (especially the U.S.S.R. and the Scandinavian countries), the Philippines, Mexico, South America, the West Indies, and Africa. The Department of State has requested procurement agencies of the United States Government not to purchase lumber in Europe for the present in order to maximize the quantities that remain there for use in reconstruction.

### Lumber Controls

Since the end of the war, most of the former

belligerents have channeled lumber principally to housing and to essential commercial construction. It is thought that the controls imposed by the United States and Great Britain are fairly typical.

*United States.* During the war the War Production Board controlled the production and distribution of lumber by the use of general production orders, directives, set-asides, and priorities. Most of these controls have gradually been removed by the Civilian Production Administration (which replaced the War Production Board) and the Office of the Housing Expediter as the lumber situation in the United States improved. The Office of the Housing Expediter still requires sawmills to send to millwork or cut-stock manufacturers 85 percent of all Douglas fir and western pine shop lumber measuring 8¼ inches and thinner, including number three clears.

Permits must now be obtained from the Federal Housing Administration for all new construction. The permit system replaces the former priority system. Houses are limited to a total floor area of 1,500 square feet and one complete bathroom, and they must be suitable for year-round occupancy. There are no sales-price limitations on homes built for sale under the permit system.

Veterans' preference is still in effect for both sales and rental housing. However, non-veterans are now permitted to build for their own occupancy. Also, upon application to the Federal Housing Administration, waivers may now be granted allowing sales to non-veterans immediately after completion, provided a unit in the same project was held for 30 days after completion without a veteran purchaser and provided that preferential holding periods are working a hardship on the builder.

Non-residential construction, also subject to permit, is generally limited to a cost of \$15,000 a job.

United States lumber exports are controlled by the Office of International Trade of the Department of Commerce. The authority of the Commerce Department to control exports will expire on June 30, 1947, unless extended.

*Great Britain.* Great Britain<sup>3</sup> was obliged to

<sup>2</sup> This program called for starting construction on a total of 2,700,000 dwelling units in 1946-47.

<sup>3</sup> The term *Great Britain* as used here includes England, Scotland, and Wales, but not Northern Ireland.

overcut its forests during the war with the result that it is now more dependent on imports than previously. The requirements of Great Britain for softwood lumber in 1947 are approximately 3,142 million feet, of which all but 100 million feet must be imported.

Approximately one third of the total dwelling units in Great Britain were affected by enemy action during the war. Of a 1939 total of approximately 13,000,000 dwellings, it is officially estimated that approximately 200,000 were entirely destroyed, an additional 250,000 made completely uninhabitable, and about 4,000,000 damaged.<sup>4</sup> Following the war, the British Government embarked on a program to construct 1,250,000 new dwellings to meet immediate housing needs. Estimates of long-term housing requirements range up to 5,000,000 dwelling units over the course of the next 10 years.

The British Government has followed a policy of licensing all construction, controlling prices, and allocating lumber by size and use. The maximum quantity of lumber that may be used in an individual dwelling has just been reduced from 4,000 to 3,200 feet, with the result that most houses will have concrete floors. The Government even limits the width and thickness of boards that can be used in the various parts of the house.

#### **International Timber Conference**

The Food and Agriculture Organization of the United Nations called an International Timber Conference at Mariánské-Lázně, Czechoslovakia, beginning April 28, 1947. Invitations were sent by the Food and Agriculture Organization and the Czechoslovak Government to 34 nations, as well as to the Economic and Social Council of the United

Nations, the International Bank for Reconstruction and Development, the International Labor Office, the Emergency Economic Committee for Europe, and the Pan American Union.

Sir John Boyd Orr, Director General of FAO, said in his letter of invitation that the Conference had been called with three main ends in view:

1. To investigate and report on urgent measures for making available as much lumber as possible to cover European construction requirements, especially in countries devastated by war.

2. To investigate European lumber requirements beyond the reconstruction period and devise longer-range programs for conservation and rehabilitation of the region's forest resources, the need and possibilities of obtaining additional lumber supplies from forest resources that as yet are undeveloped, and safeguards against possible future unsalable surpluses of lumber.

3. To consider suitable international action for helping to solve the emergency and long-term problems.

The President approved the following delegation to represent the United States at Mariánské-Lázně: Donald Kennedy, Chief of the International Resources Division, Department of State, *Chairman*; E. Theodore Geiger, Administrative Officer of the Mission for Economic Affairs, American Embassy, London; Edward I. Kotok, Assistant Chief of the Forest Service, Department of Agriculture; and Joseph I. Muller, Acting Chief of the Forest Products Division, Office of International Trade, Department of Commerce.

The Food and Agriculture Organization plans to call regional conferences for the Americas and the Far East during the year to lay the groundwork for a world conference later.

<sup>4</sup> *Construction and Construction Materials Industry Report* (Department of Commerce, April 1947), p. 10.

## The Economic Commission for Europe: Toward Beneficial Employment of Human and Material Resources

BY UNDER SECRETARY CLAYTON<sup>1</sup>

This first meeting of the Economic Commission for Europe has for its purpose the creation of an organization designed to promote the most effective employment of the human and material resources of Europe to the benefit of all. If this objective can be measurably achieved an important step will have been taken on that road to world peace and world prosperity which we all seek. All states represented here bear in varying degrees the scars of war, some visible and some not. All have a common interest in hastening the restoration of economic health in Europe. All can make a contribution to that end; as separate countries are a part of Europe, so Europe is a part of the larger world. It is appropriate therefore that this Commission, within the framework of which its members may join their common efforts, should be an integral part of the United Nations.

In creating this Commission the Economic and Social Council recognized that the problems with which it is expected to deal can be most effectively handled on an European basis. It is the responsibility of the Council to fit securely into the world picture the European phase of economic revival; the organizational relationship between the Commission and the Council insures that this will be done. The United States is vitally concerned in the economic revival of Europe. This is true because we are an occupying power and because we know full well that world peace and prosperity are impossible without European economic revival.

The success of this Commission will be measured by its ability to find prompt solutions to certain vital and urgent problems which stand in the way of European recovery. Fortunately we are not without experience in dealing with some

of these problems. The Emergency Economic Committee for Europe, the European Central Inland Transport Organization, and the European Coal Organization have dealt for some time now with the urgent problems in their respective fields which faced post-war Europe. The terms of reference of the Economic Commission for Europe provide that the highly important functions of these organizations shall be taken over by the Commission. The experience of these three organizations goes far to prove that nations can indeed work effectively together for their common good.

The European Coal Organization is an outstanding example. Through common agreement it has brought about an equitable sharing of an inadequate supply of coal among countries, each of which desperately needed more coal than it got. The successful operation of the European Coal Organization has been an added spur to us in the United States to expand to the utmost our shipments of coal to Europe. What the existing bodies have accomplished in their limited fields can be done in the larger field of this Commission.

The problems of each country seem to it the most pressing, but if experience teaches anything it is that no country can solve its economic problems in isolated economic actions which appear to relieve pressures at home while creating pressure abroad and by opening up a whole Pandora's box of troubles for all of us. It is just as if the whole world had an economic nerve center receiving and giving out for good or bad the economic impulses set

<sup>1</sup> Opening address before the initial meeting of the new Economic Commission for Europe on May 2, 1947, released to the press in Geneva on that date and in Washington on May 5. Mr. Clayton is American Delegate to the Commission.

in motion by individual action. Anywhere an understanding of the delicate adjustment of the economy of the modern world shows that unilateral action which may harm one's neighbors must in the end result in harm to all. There are no panaceas or easy remedies for the problems with which this Commission will deal. The last war dealt the world a staggering blow, the force of which is only just now beginning to be fully understood. Reconstruction can only be achieved through hard teamwork pulling together, not separately.

The Preparatory Commission on Trade and Employment now meeting here in Geneva is working out a broad pattern of international trade relations designed to bring about an expansion in world economy to the end that all people, everywhere, may enjoy higher living standards. The Economic Commission for Europe is a complementary body to deal with urgent problems arising from the dislocations of war. As Secretary Marshall recently said, "European recovery has proceeded at a slower pace than anticipated". This fact gives a special urgency to the task before us here. Let us get on with the job in hand as quickly as possible.

## **First Regional Conference of National Commission for UNESCO**

One thousand delegates representing more than 300 organizations will meet in Denver, Colo., May 15-17, in the first regional conference on the United Nations Educational, Scientific and Cultural Organization (UNESCO).

Citizens of Colorado, Nebraska, Kansas, Idaho, Utah, Wyoming, Oklahoma, and New Mexico will participate. They were called together by the U.S. National Commission for UNESCO to construct a program by which the organizations they represent will take part in the UNESCO effort to develop peaceful interchange between nations.

Assistant Secretary of State William Benton said on May 9:

"This working conference meeting in the heart of America should help place the program of UNESCO where it belongs, close to our daily lives. If UNESCO is to succeed, our communities must begin to come to grips with the job of building

the defenses of peace in the minds of men. The entire focus of this Denver meeting will be on the development of specific programs for specific action. In a world that still must be educated away from war, such 'action conferences' are what we need and need now."

Outstanding educational, scientific, and cultural leaders of the Rocky Mountains-Plains region will take part. They represent businesses, professions, and civic and women's organizations, as well as their professional fields.

The conference is directed by a convening committee composed of Milton Eisenhower, president of Kansas State College and chairman of the U.S. National Commission for UNESCO; Reuben Gustavson, chancellor of the University of Nebraska; and Ben M. Cherrington, director, Social Science Foundation, University of Denver.

## **National Commission for UNESCO Invites Additional Organizations**

[Released to the press May 9]

Seven organizations will be invited to name representatives to the United States National Commission for UNESCO, it was announced on May 9 by Milton S. Eisenhower, chairman of the Commission. The organizations selected are:

- American Association of School Administrators
- American Association of Teachers' Colleges
- American Chemical Society
- Engineers Joint Council
- Modern Language Association
- National Council for the Social Studies
- National Institute of Arts and Letters

Selection of the seven organizations was made by the executive committee of the Commission, meeting in Washington on May 9. The selection raises to 57 the number of organizations requested to name members to the National Commission. The selection of three youth organizations will be considered at the September meeting of the full Commission to complete the roster of 60 authorized by Congress. In order to insure future rotation of membership, the Commission may annually review and revise the roster of member organizations. The duties of the Commission are to advise the Government on UNESCO matters and bring about widespread national cooperation in UNESCO programs.

# First Assembly of International Civil Aviation Organization

## STATEMENT BY ASSISTANT SECRETARY NORTON<sup>1</sup>

**MR. PRESIDENT AND DELEGATES:** This first session of the Assembly of the International Civil Aviation Organization is an occasion which we from the United States view with special gratification. The fact that the international convention on civil aviation has come into full force and effect in considerably less than the three years originally contemplated is a demonstration that the 52 delegations at Chicago built well and successfully.

We can now proceed with certainty to establish the organization on a permanent basis. I do not minimize the important achievements of the interim period. I am sure that there has never been another provisional international organization which sought as fully as this one to measure up to all phases of the job to be done. The record is one of great accomplishment.

The United States Government, perhaps not alone, has at times been left breathless by the pace of council meetings, committee meetings, division meetings, regional meetings, and special meetings. Aviation is not a business on which matters can be left to wait forever, nor one in which the problems disappear if simply left unattended.

First and foremost, the organization is devoted to the formulation of international standards on all matters affecting the safety, regularity, and efficiency of air navigation. By ratifying the convention, every member state has accepted a solemn treaty obligation to collaborate not only in preparing but also in carrying out the international standards. This obligation must be fulfilled!

It is fortunate that the productive work initiated at Chicago on these standards has been carried forward through two successive revisions. It will be possible for the new Council, when it is elected a few days hence, to act immediately upon the whole code of standards already developed. I believe

that one of the first actions of the new Council should be to adopt the standards which are ready. We can all then leave this assembly with the knowledge that the standards have been officially submitted to the member states and may be expected to come into effect three months later under the procedure established by the convention.

The coming into effect of these standards throughout a large part of the world can be a major contribution to safety of life in the air, and will be if we all take seriously our obligations.

The agenda for Commission II contains few items which will excite vigorous debate in the plenary sessions of the assembly. We should regard this as a tribute to the organizational pattern and procedure which has been developed for handling technical matters in the divisions, the Air Navigation Committee, and the Council.

A second field of fruitful work envisaged at Chicago lies in the general area of Commission III of this assembly. Here we shall be concerned with the economic, commercial, and political problems of international air transport.

These problems are no less demanding than those in the technical field, but our progress has understandably been slower and more difficult. It is the view of the United States that there are at least five types of activity in the economic field among which we should distinguish in planning the work of the organization.

One is the collection, compilation, and publication of factual information. We cannot emphasize too much the fundamental importance of these activities, in which every nation should assist by carrying its share of the load.

<sup>1</sup> Made at the opening plenary meeting of the first assembly of ICAO at Montreal, on May 6, and released to the press in Montreal on that date and in Washington on May 7. Mr. Norton is chairman of the U.S. Delegation.



The second is the activity of the secretariat in analytical study. It takes the form not only of dissecting the issues for detailed examination but also of arranging all of the known facts in relation to the issues. The United States supports fully the ideal of thoroughgoing staff work by a competent international staff which will assist committee deliberation on proposals as to policy.

Still another type of activity of the organization in the economic field consists of the formulation of recommendations for national action. The principal examples so far are the proposals for a standard form of bilateral agreement formulated at Chicago and the recommended practices for facilitation of international air transport. In general, and particularly in Commission III, the United States believes it well worth while to work through recommendations to the member states. We regard this as a means of initiating progressive action and of exploring the ground before more decisive forms of international action are attempted.

The fourth type of activity, when it is possible, is undoubtedly the most satisfying form of international collaboration. It consists of decisive international action through the adoption of standards or the acceptance of agreements or treaties. This form of action is always the most difficult. Every government is reluctant to support or enter into binding commitments without full study of the prospective consequences. Nevertheless, we can look forward hopefully to a constant enlargement of the area of such action. The United States will continue to support such endeavors.

The final type of activity in the economic field relates to the administration of international agreements once they have been concluded. The implementation of every important new agreement will be the subject of discussions in this assembly and in the Council and its committees as we search for a common understanding of our mutual obligations. In some cases it will be necessary to provide specifically for the arbitration of disagreements and disputes. In such cases the United States believes the organization can be helpful in establishing and maintaining the machinery of arbitration. However, the organization itself should not be vested with arbitral duties.

In dealing with all of the items on the agenda for Commission III, the United States will seek to apply the general principles which I have just out-

lined. In this statement I wish to comment further on only one item of the Commission III agenda, namely, the proposed multilateral agreement on commercial rights in international air transport.

It is the view of the United States that our efforts to produce a multilateral agreement on air commerce at Chicago and since have suffered from the lack of experience and of tested information. We still do not have adequate primary statistical data bearing on some of the major problems involved in the draft. Such data are greatly needed. Nevertheless, the present draft represents considerable progress beyond anything we have had before.

The United States intends to work hard in the hope that a treaty agreement can be reached at this assembly on many of the principles applicable to international air commerce.

Our specific proposals for revision of the draft proposed by the Air Transport Committee will be presented in Commission III. We hope that agreement will prove possible with respect to principles on capacity, rates, unfair practices, the facilitation of international air services, and the arbitration of disagreements. We further believe that the first Two Freedoms, those of transit and of non-traffic stop, have already received such general acceptance that they should now be put forward in permanent form as part of the proposed treaty. We do not believe that it is practicable to include a general exchange of commercial rights in the proposed treaty at this time. We do believe that the treaty should include suitable provisions to outlaw discriminatory practices in operations under such treaties.

In our negotiations let us not neglect the "forgotten man"—the individual traveler of any state who wants to go somewhere at a time and in an aircraft of his own choosing.

In commenting on the work of the organization in the technical and economic fields, I have dealt with the two main substantive fields we had under consideration at Chicago.

Another field, the breadth of which was not fully foreseen at Chicago, and in our opinion is not yet fully foreseeable, is that which is entrusted at this assembly to the Commission on Legal Questions.

In this field, two draft conventions are before the assembly. The first is known as the draft con-

vention concerning the recording of rights *in rem* in aircraft.

This convention provides for the recording and recognition of property rights in aircraft. It will facilitate the necessary financing as aircraft fleets are rebuilt and expanded. Such a convention is greatly needed. The present draft is the best we have ever had. It provides a basis on which we can hope to complete action this year.

The draft convention on the legal status of the aircraft commander is also before the assembly. Here too it is possible that a final text will be prepared and opened for signature.

The CITEJA,<sup>2</sup> which originated the study of these conventions, has had a long and useful background of study and accomplishment. We look forward at this assembly to participating in making appropriate arrangements to continue the work of CITEJA within the aviation organization.

In the other main substantive field of the organization, that of establishing policies for financial and technical aid through the organization under chapter XV of the convention, there has been little precedent. The United States hopes that Commission VI, as well as all others, will realize that our organization, for all its accomplishments, is still young. There has been little time to collect and analyze the basic data that will lead to intelligent decisions. We are all anxious to make decisions to improve the safety, efficiency, and economy of international air transport. Yet we must recognize that decisions made without facts may hamper more than help our objectives. In all fields the United States urges the accumulation of facts. It appears that the documentation prepared for this field of "joint support" allows for the establishment of flexible policies and full exploration of the facts.

The United States, under its national policy of support of the United Nations, views with great satisfaction the completion of negotiations on the draft agreement of relationship between the aviation organization and the United Nations. Final approval by the United Nations is, however, subject to compliance by ICAO with the resolution adopted by the United Nations General Assembly on December 12, 1946, recommending that Franco Spain be debarred from membership in international agencies brought into relationship with the United Nations.

In accordance with this fundamental policy of

support of the United Nations, the United States believes it is essential that the relationship agreement between the United Nations and ICAO be brought into force. The retention of Franco Spain as a member of ICAO would mean that the agreement of relationship could not come into operation. The United States Delegation accordingly will propose that the assembly of ICAO adopt an amendment to the convention which will comply with the United Nations resolution.

Support of the recommendations of the United Nations General Assembly is more important to the United States Government than is the technical advantage of having one country continue as a member of this organization. We hope that all members share our views on this subject.

There are several other decisions of a general nature to be made by this assembly. It is to be hoped that the Council will be elected as soon as practicable in order that it may organize before Commission V completes its work. The new Council will then be able to obtain any necessary clarification of the organizational policies established by that Commission.

During this assembly it appears desirable that a decision be reached on the location of our next convening. The United States favors a suitable location outside of North America.

It is to be hoped that the next assembly agenda can be more limited than the one upon which we are now to embark. Perhaps two out of every three assemblies could be confined to administrative matters and urgent items, a thorough review being held only every third year.

The United States believes that the strength of this organization lies in a competent continuing Council, its committees, and the secretariat. We should build upon our experience to make them even more effective in the future.

In closing we recall with pleasure the cordial reception afforded us last year. The United States extends to the Canadian Government and people of Canada its sincere appreciation for their hospitality to the organization during this, its first assembly. Although this year's agenda is heavier than that of last year, the documentation has been so carefully and well prepared that it should be possible to complete our work in a considerably shorter time than was the case last year.

<sup>2</sup> Comité International Technique d'Experts Juridiques Aériens.

## Current United Nations Documents: A Bibliography

There will be listed periodically in the *BULLETIN* a selection of United Nations documents which may be of interest to readers.

Printed materials may be secured in the United States from the International Documents Service, Columbia University Press, 2960 Broadway, New York City. Other materials (mimeographed or processed documents) may be consulted at certain designated libraries in the United States.

### General Assembly

Committee on the Progressive Development of International Law and Its Codification, The. Bibliography on the Codification of International Law. A/AC.10/6, May 2, 1947. 14 pp. mimeo.

Historical Survey of Development of International Law and Its Codification by International Conferences. Memorandum Prepared by the Secretariat. A/AC.10/5, Apr. 29, 1947. 119 pp. mimeo.

Index to the Resolutions Adopted by the General Assembly During Its First Session (London and New York, 1946). A/64/Add. 2, Feb. 28, 1947. 22 pp. printed [25¢].

Methods for Encouraging the Progressive Development of International Law and Its Eventual Codification. Memorandum by the Secretariat. A/AC.10/7, May 6, 1947. 8 pp. mimeo.

Question of Palestine. Working Documentation Prepared by the Secretariat. Vol. I. Reference Library on Palestine. A/296/Add. 1, May 1, 1947. 5 pp. mimeo. Also, A/296/Add. 2, May 5, 1947. 18 pp. mimeo.

### Security Council

Cablegram From the Chairman of the Commission of Investigation Concerning Greek Frontier Incidents to the President of the Security Council Dated 30 April 1947. S/337, May 1, 1947. 2 pp. mimeo.

Cablegram From the Chairman of the Commission of Investigation Concerning Greek Frontier Incidents to the President of the Security Council Dated 5 May 1947. S/343, May 6, 1947. 3 pp. mimeo.

Letter From the Chairman of the Military Staff Committee to the Secretary-General Dated 30 April 1947 and Enclosed Report on General Principles Governing the Organization of the Armed Forces Made Available to the Security Council by Member Nations of the United Nations. S/336, Apr. 30, 1947. 80 pp. mimeo.

Letter From the Deputy United States Representative on the Security Council to the Secretary-General Dated 30 April 1947. S/338, May 1, 1947. 1 p. mimeo.

Letter From the Minister of Hungary to the United States Addressed to the Secretary-General Dated 22 April 1947. S/333, Apr. 25, 1947. 1 p. mimeo.

Letter From the Permanent Representative of Greece to the United Nations Addressed to the Secretary-General Dated 24 April 1947. S/334, Apr. 25, 1947. 2 pp. mimeo.

Resolution on the Greek Question, Adopted at the Eighty-seventh Meeting of the Security Council, Establishing a Commission of Investigation. S/339, May 2, 1947. 2 pp. mimeo.

### United States Mission to the United Nations

Statements of the United States Representative and Alternate United States Representative to the Special Session of the General Assembly Delivered at Plenary and Committee Meetings of the General Assembly. US/Bibl/33, May 3, 1947. iii, 17 pp. mimeo.

## U.S. Delegation to ILO Industrial Committee on Inland Transport

[Released to the press May 5]

The President has approved the composition of the United States Delegation to the second meeting of the Industrial Committee on Inland Transport of the International Labor Organization, as submitted by the Secretary of State upon the recommendation of the Secretary of Labor, it was announced on May 5. The meeting will commence on May 7 at Geneva.

The United States Delegation is a tripartite group of six delegates representing equally, in accordance with ILO constitutional provisions, Government, management, and labor. In addition, three Government advisers will participate. The Delegation is listed as follows:

### *Representing the Government of the United States*

#### DELEGATES

William J. Patterson, Member, Interstate Commerce Commission

Harry Weiss, Director, Economics Branch, Wage and Hour and Public Contracts Divisions, Department of Labor

#### ADVISERS

Nelson M. Bortz, Chief, Labor-Management Disputes Division, Bureau of Labor Statistics, Department of Labor

Russell S. McClure, Attaché, United States Embassy, Paris

Merrill Murray, Chief, Social Insurance Branch, Office of Military Government for Germany

*Representing the Employers of the United States*

Barnett D. Davidson, Vice President, Davidson Transfer and Storage Company, Baltimore, Md.

Daniel P. Loomis, Executive Director, Association of Western Railways, Chicago, Ill.

*Representing the Workers of the United States*

H. W. Fraser, Vice Chairman, Railway Labor Executives Association, Cedar Rapids, Iowa

O. J. Mischo, International Secretary-Treasurer, Amalgamated Association of Street and Electric Railway Employees of America, Detroit, Mich.

The ILO Committee will review steps taken to carry out decisions of the first meeting which was

held in London in December 1945 and in which Mr. Patterson also participated on behalf of this Government. Other subjects which the Committee will consider include manpower problems in inland transport, a survey of industrial relations in the industry, and methods of collecting and standardizing labor statistics in inland transport.

While the ILO Committee session is in progress, there will also be held at Geneva the first meeting of the Economic Commission for Europe which will consider other phases of inland transport so far as Europe is concerned.

**Third Session of Interim Commission of WHO—Continued from page 973**

behalf of the Interim Commission, effective relations with UNESCO on an interim basis. This committee met with the Negotiating Committee of the UNESCO Executive Board in Paris on April 13 and 16. The action taken at this joint meeting will be recorded in the next issue of the Department of State BULLETIN.

The Interim Commission expressed itself as fully sympathetic with the objectives of the International Children's Emergency Fund, and in order to give technical assistance to the Fund it authorized the employment by the executive secretary of experts on nutrition and on child health. The Commission has also requested states receiving fellowship assistance from the Commission to devote a minimum of 10 percent of the funds made available to the training of specialists in child health. It was the opinion of the Commission that the ICEF should look to WHO and FAO for advice on matters related to nutrition.

In developing relations with existing regional health organizations, the Commission authorized the continuation of negotiations with the Pan American Sanitary Bureau by the existing subcommittee (Brazil, Mexico, the United States, and Venezuela), and instructed the executive secretary to investigate the status of the Pan-Arab Health Bureau.

A subcommittee on Relations With Nongovernmental Organizations (China, the United King-

dom, and Venezuela) was appointed by the Commission. It will undertake a thorough study of nongovernmental organizations with interests in the field of health and make recommendations concerning the pattern of relations between these organizations and WHO. A request from the American Federation of Labor for consultative status with WHO was referred to this subcommittee for study.

The fourth session of the Interim Commission will meet in Geneva, August 30, 1947. It will be preceded by the second joint meeting of the Negotiating Committees of the UNESCO Executive Board and the Interim Commission, August 26-27, and the Interim Commission's Committee on Finance and Administration, August 28-29. Since there is a possibility that acceptance of the constitution of WHO by 26 United Nations as required to bring it into force may have been obtained by August, the fourth session may be called upon to make definitive plans for the First World Health Assembly which must meet within six months of the twenty-sixth acceptance. Thus far, the constitution has been accepted by nine members of the United Nations (Canada, China, Ethiopia, Iran, Liberia, the Netherlands, New Zealand, Syria, and the United Kingdom), and by three states not members of the United Nations (Italy, Switzerland, and Trans-Jordan).

# INTERNATIONAL ORGANIZATIONS AND CONFERENCES

## Calendar of Meetings<sup>1</sup>

In Session as of May 11, 1947		1946
Far Eastern Commission . . . . .	Washington . . . . .	Feb. 26
United Nations:		
Security Council . . . . .	Lake Success . . . . .	Mar. 25
Military Staff Committee . . . . .	Lake Success . . . . .	Mar. 25
Commission on Atomic Energy . . . . .	Lake Success . . . . .	June 14
		1947
Commission on Conventional Armaments . . . . .	Lake Success . . . . .	Mar. 24
Meeting of Experts on Passport and Frontier Formalities . . . . .	Geneva . . . . .	Apr. 14-25
General Assembly: Special Session . . . . .	Flushing Meadows . . . . .	Apr. 28-May 16
Economic Commission for Europe: First Session . . . . .	Geneva . . . . .	May 2-10
German External Property Negotiations (Safehaven):		1946
With Portugal . . . . .	Lisbon . . . . .	Sept. 3
With Spain . . . . .	Madrid . . . . .	Nov. 12
Inter-Allied Trade Board for Japan . . . . .	Washington . . . . .	Oct. 24
		1947
International Conference on Trade and Employment: Second Meeting of Preparatory Committee.	Geneva . . . . .	Apr. 10
IRO (International Refugee Organization): Second Part of First Session of Preparatory Commission.	Lausanne . . . . .	May 1-17
ICAO (International Civil Aviation Organization):		
European-Mediterranean Special Air Traffic Control Meeting . . . . .	Paris . . . . .	Apr. 15-26
Air Transport Committee . . . . .	Montreal . . . . .	Apr. 28-30
Interim Council . . . . .	Montreal . . . . .	Apr. 29-May 7
First Meeting of General Assembly . . . . .	Montreal . . . . .	May 6
Congress of the Universal Postal Union . . . . .	Paris . . . . .	May 7
ILO (International Labor Organization): Industrial Committee on Inland Transport.	Geneva . . . . .	May 7
International Technical Committee of Aerial Legal Experts: 16th Session .	Montreal . . . . .	May 10
Scheduled for May-July 1947		
Council of Foreign Ministers: Commission To Examine Disagreed Questions of the Austrian Treaty.	Vienna . . . . .	May 12
German External Property Negotiations with Turkey (Safehaven) . . .	Ankara . . . . .	May <sup>2</sup>
United Nations:		
Committee on Progressive Development and Codification of International Law.	Lake Success . . . . .	May 12
Economic Commission for Europe:		
Transport Session . . . . .	Geneva . . . . .	May 15
Second Session . . . . .	Geneva . . . . .	June 23
Economic Commission for Asia and the Far East:		
First Session . . . . .	Shanghai . . . . .	June 16
Committee of the Whole . . . . .	Lake Success . . . . .	June 23 <sup>2</sup>
Preparatory Conference of Experts on Telecommunications . . . . .	Lake Success . . . . .	June 16
ECOSOC (Economic and Social Council):		
Fifth Session . . . . .	Lake Success . . . . .	July 19

<sup>1</sup> Prepared in the Division of International Conferences, Department of State.

<sup>2</sup> Tentative.

*Calendar of Meetings—Continued*

		1947
U.N.: ECOSOC— <i>Continued</i>		
Fiscal Commission . . . . .	Lake Success . . . . .	May 19
Subcommission on Freedom of Information and of the Press . . . . .	Lake Success . . . . .	May 19
Subcommission on Statistical Sampling . . . . .	Lake Success . . . . .	June 2
Economic and Employment Commission . . . . .	Lake Success . . . . .	June 2
Human Rights Drafting Committee . . . . .	Lake Success . . . . .	June 9
FAO (Food and Agriculture Organization):		
Rice Study Group . . . . .	Trivandrum, Travancore, India.	May 15
Executive Committee . . . . .	Washington . . . . .	June 2
Panel on Soil Erosion Control . . . . .	Washington . . . . .	June or July
International Radio Conference . . . . .	Atlantic City . . . . .	May 15
PMCC (Provisional Maritime Consultative Council) . . . . .	Paris . . . . .	May 16
IEFC (International Emergency Food Council): Fourth Meeting, . . . . .	Washington . . . . .	May 26-27
Eleventh International Congress of Military Medicine and Pharmacy, . . . . .	Basel . . . . .	June 2-7
ECITO (European Central Inland Transport Organization): Seventh Session of the Council (Second Part).	Paris . . . . .	June 3
International Cotton Advisory Committee: Sixth Meeting . . . . .	Washington . . . . .	June 9
ILO (International Labor Organization):		
102d Session of Governing Body . . . . .	Geneva . . . . .	June 13-17
30th Session of International Labor Conference . . . . .	Geneva . . . . .	June 19
Permanent Agricultural Committee . . . . .	Geneva . . . . .	July
ICAO (International Civil Aviation Organization):		
South American Regional Air Navigation Meeting . . . . .	Lima . . . . .	June 17
South Atlantic Regional Air Navigation Meeting . . . . .	Rio de Janeiro . . . . .	July 15
Caribbean Commission: Fourth Meeting . . . . .	Jamaica . . . . .	June 23-30
IARA (Inter-Allied Reparation Agency): Meeting on Conflicting Custodial Claims.	Brussels . . . . .	June
UNRRA Council: Seventh Session . . . . .	Washington . . . . .	June
International Telecommunications Plenipotentiary Conference, . . . . .	Atlantic City . . . . .	July 1
International Council of Scientific Unions: Executive Committee . . . . .	Paris . . . . .	July 1-2
International Rubber Study Group . . . . .	Paris . . . . .	July 1
Fourth International Congress of Administrative Sciences . . . . .	Bern . . . . .	July 20-27
UNESCO Executive Board . . . . .	Paris . . . . .	July

*Activities and Developments »*

**JOSEPH M. DODGE TO HEAD U. S. DELEGATION TO FOUR POWER COMMISSION**

The Secretary of State announced on May 6 the appointment of Joseph M. Dodge of Detroit as head of the United States Delegation to the Four Power Commission which will meet in Vienna May 12 to examine unresolved articles of the proposed Austrian treaty. Mr. Dodge, widely known in banking and Government circles and former finan-

cial adviser to Gen. Lucius D. Clay, United States Military Governor in Germany, will have the rank of Minister. He will depart for Vienna on May 7.

The Four Power Commission, comprised of representatives from France, Great Britain, the Union of Soviet Socialist Republics, and the United States, was authorized at the final session of the Council of Foreign Ministers at Moscow and will report to the Council without delay.

Working as a part of the Commission will be a committee of experts which will concentrate on the examination of the specific question of German assets in Austria. David Ginsburg, former Government counsel and former alternate director of the Economics Division in the Office of United States Military Government at Berlin, will be the United States member of the committee of experts.

Other members of the Delegation will be: Francis T. Williamson, Central European Division, Department of State; Covey T. Oliver, Division of German-Austrian Economic Affairs, Department of State; and Raymond W. Goldsmith, Washington, D. C., economist.

Secretary Marshall said in his radio report to the Nation upon his return from Moscow that the negotiations regarding the Austrian treaty resulted in agreement on all but a few points, but those were basic and of fundamental importance. The Soviet Union favors, and the other governments oppose, the payment of reparations and the cession of Carinthia to Yugoslavia.

Secretary Marshall also said that the Soviet Government attached much more importance to its demand that the German assets in Austria, which are to be the Soviet Union's by the terms of the Potsdam agreement, should include those assets which the other three powers consider to have been taken from Austria and the citizens of the United Nations by force or duress by Hitler and his Nazi government following the taking over of Austria by military force in March 1938.

The Soviet Government has refused to consider the word *duress*, which in the opinion of the other three powers would be the critical basis for determining what property, i.e. business, factories, land, forests, and the like, was truly German property

and not the result of seizures by terroristic procedure, intimidation, fake business acquisition, et cetera.

The Soviet Union also has refused to consider any process of mediation to settle disputes that are bound to arise in such circumstances, nor do they clearly agree to have such property as they receive as German assets subject to Austrian law in the same manner as other foreign investments are subject to Austrian law.

Secretary Marshall stated that the acceptance of the Soviet position would mean that such a large portion of Austrian economy would be removed from her legal control that Austrian chances of surviving as an independent self-supporting state would be dubious. He said she would, in effect, be but a puppet state.

While the Council of Foreign Ministers did not find a compromise solution to these problems at Moscow, Secretary Marshall has indicated that the governments now know where they stand and he is hopeful that the Commission will adjust these differences.

#### **DESTRUCTION OR REMOVAL OF UNITED NATIONS PROPERTY IN JAPAN<sup>1</sup>**

1. This policy decision deals with the treatment of the property in Japan of nationals of Members of the United Nations when such property forms part of an industry, the capacity of which is subject to reduction either by the destruction or by the removal of plants under the terms of relevant policies of the Far Eastern Commission.

2. Such property shall be regarded as United Nations property for the purpose of this policy decision and shall hereafter be so termed:

- a. if owned by nationals of Members of the United Nations, or
- b. if it has been treated as enemy property by the Japanese Government, or
- c. if owned by a corporation, the stock of which is substantially owned directly or indirectly by nationals of Members of the United Nations, or
- d. if owned by a corporation in which a minority of the stock is owned by nationals of Members of the United Nations but nationals of Members of the United Nations nevertheless have controlling rights.

3. United Nations property which is subject to destruction, in accordance with policies of the Far

<sup>1</sup> Policy decision approved by the Far Eastern Commission on Apr. 24, 1947, and released to the press on May 8. A directive based upon this decision has been forwarded to the Supreme Commander for the Allied Powers for implementation.



Eastern Commission on the disarmament of Japan and the reduction of Japanese industrial war potential, should be destroyed irrespective of the nationality of the owner.

4. When such United Nations property is destroyed, the United Nations owners should be entitled to full compensation for the value of their interest in the plant at the time of destruction.

5. United Nations property within the categories of industrial plants and facilities which are subject to removal in accordance with policies of the Far Eastern Commission should not be selected for removal so long as Japanese-owned industrial facilities within the same categories are available for removal.

6. When such United Nations property is selected for removal, the owner's government should be given a reasonable opportunity to remove the property or any part of it from Japan, expenses being borne by the Japanese Government to the same extent as in the removal and delivery of other reparations goods. If such industrial facilities are removed by the owner's government the value of such property which is removed should be ap-

plied against the reparations account of that government. Any such property which the owner's government fails to remove within a reasonable time should be made available to other governments from the reparations pool.

7. When such United Nations property is made available for reparations, the United Nations owners should be entitled to full compensation for the value of their interest in the plant at the time of removal.

8. When a United Nations owner is entitled to compensation under paragraphs 4 or 7 above, such compensation should be paid to the owner by the Japanese Government in yen, and should not be charged to the reparations share of the government of which the United Nations owner is a national. Such compensation should be distinct from and additional to any other claims for compensation which the owner may have with respect to this property.

9. The Japanese Government should remain responsible for safe-guarding and maintaining United Nations property until it is disposed of in accordance with the foregoing paragraphs.

## First International Wool Study Group Meeting

ARTICLE BY J. RUSSELL IVES

At the wool talks held at London during November 1946, the representatives of 13 countries agreed upon the desirability of keeping the world-apparel wool situation under intergovernmental review. For this purpose it was further agreed that an International Wool Study Group should be established.<sup>1</sup> Accordingly, the first of the study group meetings on wool was held recently (March 31–April 3, 1947) at London. That wool is the subject of considerable international interest is indicated by the large list of countries represented at this first meeting.

Official delegates were sent to the conference by the following 14 countries: Argentina, Australia, Belgium, Canada, Czechoslovakia, France, Italy, Netherlands, New Zealand, Poland, South Africa, United Kingdom, United States, and Uruguay. Eleven other countries were represented by observers; these included Cuba, Dominican Republic, Finland, Iceland, Ireland, Mexico, Paraguay,

Peru, Switzerland, Turkey, and Yugoslavia.<sup>2</sup> Observer representatives also were present from the Food and Agriculture Organization, from the Department of Economic Affairs–United Nations, and from United Kingdom–Dominion Wool Disposals, Ltd.

Organization of the conference followed the usual lines with the head of the host delegation (the United Kingdom) being selected as chairman. Two subcommittees were formed, consisting of a steering committee consisting of the heads of delegations which was responsible for the work of the conference on questions of policy, and of a statistical subcommittee which reviewed and brought up to date the figures on world-wool stocks, production, and consumption.

<sup>1</sup>For "Report on the International Wool Talks" by Clarence W. Nichols, see *BULLETIN* of Dec. 29, 1946, p. 1163.

<sup>2</sup>Portugal accepted an invitation to the conference but did not send a representative.

Considerable attention was given by the conference to the question of whether an international commodity agreement should be developed for wool. The following points were brought out in the discussion of this subject:

(1) The chief international problem facing the Study Group was one of liquidating, in an orderly manner, wool stocks owned by the Commodity Credit Corporation and the United Kingdom-Dominion Wool Disposals, Ltd.

(2) Although there is no immediate threat of a collapse in wool prices, the inventory problem alone might appropriately be handled through the study group approach.

(3) Several of the delegates implied that the two governmental agencies should coordinate their activities in disposing of their holdings.

(4) This suggestion was rejected, however, as being tantamount to a wool producers' cartel, which would be highly inconsistent with the proposed charter for the International Trade Organization.

(5) Eventual action by the United States Congress regarding the Commodity Credit Corporation wool program could not be predicted.

(6) But in the absence of some definite recommendation from the Wool Study Group, the conclusion might very well be drawn that the rest of the world has no interest in the action of the Commodity Credit Corporation regarding stocks disposal and the related question of wool imports by the United States.

In the light of this discussion, and on the basis of the statistics concurrently developed by the statistical subcommittee, the desirability of coordinating national wool policies was recognized, and the Study Group invited the participating governments to consider further the question of special studies regarding such coordination.

At the wool talks held at London last November, the terms of reference for the proposed Wool Study Group were drafted. This draft was considered by the conference and was adopted with only slight modifications as follows:

1. The Wool Study Group shall comprise representatives of the countries which are substantially interested in the production, consumption, or trade in wool.

2. The Group shall meet at times and places mutually convenient to the members for the pur-

pose of discussing common problems in connection with the production, consumption, and trade in wool.

3. The Group shall be free to make such studies of the world-wool position as it sees fit, having regard especially to the desirability of providing continuous accurate information regarding the supply-and-demand position and its probable development, making use of existing sources as far as practicable.

4. The Group shall take into account, in its investigations regarding the development of the world-wool situation, the desirability of measures designed to stimulate the world consumption of wool.

5. It shall be the responsibility of the Group to consider possible solutions to any problems or difficulties which are unlikely to be resolved by the ordinary development of world trade in wool.

6. The Group may formulate and transmit recommendations to the participating governments.

7. The Group shall arrange for the collation or collection of necessary statistics, using for this purpose existing sources as far as practicable, and may establish such permanent secretarial assistance as it deems necessary for the proper conduct of its work. Countries who are members of the Group shall contribute, on a basis to be mutually agreed to, the necessary expenses.

8. The Group will continue to function during such periods as in the opinion of the participating governments it continues to serve the purpose for which it is designed.

9. Arrangements will be made for other interested governments to be kept informed of the studies made and of the result of the discussions as far as practicable.

The question of whether or not a permanent wool secretariat should be set up for the Study Group also was considered. Several organizations are already engaged in the collection of world-wool statistics and therefore it was felt that considerable duplication would result from the establishment of another agency. Since the work of the existing agencies would be largely available to the United Kingdom Delegation, it offered to handle such functions as might otherwise be performed by a permanent secretariat in the period between the first and second meetings of the Study

Group. This offer was accepted by the conference.

The statistical subcommittee of the Study Group reviewed the world statistics on stocks, production, and consumption of apparel wool for the 1946-47 season. The figures which were developed indicated that production for the year would total about 2.9 billion pounds. Because of continued large consumption on the part of the United States and considerable improvement in the output of woolen goods by mills in several European countries, total disappearance of apparel wool for 1946-47 was estimated at about 3.4 billion pounds. (This figure was 300 million pounds greater than was indicated in November for total world con-

sumption during 1946-47.) Because of the large volume of consumption in 1946-47, as compared with production, world stocks of apparel wool on June 30, 1947, were estimated at approximately 4.5 billion pounds, a decrease of 500 million pounds from those of a year earlier. The United Kingdom-Dominion Wool Disposals, Ltd. has succeeded in liquidating its stocks more rapidly than was originally anticipated. Whereas the June 30, 1946, stocks of 5 billion pounds were about equally divided between government and commercial holdings, only about 45 percent of the 4.5 billion pounds estimated for June 30, 1947, is expected to be held by government agencies.

## **Second Meeting of the U.N. Preparatory Committee for the International Conference on Trade and Employment**

### **REPORT TO THE OFFICE OF PUBLIC AFFAIRS, DEPARTMENT OF STATE**

GENEVA, *May 2, 1947*.—The trade negotiations presently proceeding in Geneva represent the greatest attempt to conduct international trade discussions in the world's history.

Before the end of May, there will be 100 different negotiations proceeding between pairs of countries represented at the Geneva meetings.

#### **Negotiations Under Way With Ten Countries**

The United States by the end of April had already opened negotiations with 10 of the 15 countries with which trade talks were originally scheduled. On April 23, negotiations began with Australia, Canada, Czechoslovakia, France, and the United Kingdom; on April 28 with Chile, India, and South Africa; on April 30 with Brazil and New Zealand. In addition to the negotiations previously scheduled, the United States is carrying on negotiations individually with Burma, Ceylon, Newfoundland, and Southern Rhodesia, and with the remaining British territories as a group.<sup>1</sup>

Each delegation has a number of negotiating teams so that negotiations can be carried on simultaneously with several different countries.

#### **United States Preparation Praised**

Members of other national delegations have praised highly the very thorough preparation of the United States Delegation for the trade talks.

They have also expressed admiration for the United States procedure of announcing to the American people items on which it may or may not make concessions in negotiations and inviting the fullest expression of American opinion on items on this list, or on concessions which the United States should request of other countries.

The celerity with which the trade discussions are proceeding indicates the desire of the countries present to successfully conclude the negotiations within several months. The magnitude of the job is clear when it is realized that the negotiation of a trade agreement between the United States and a single country has taken as long as a year.

#### **Commercial Policy Talks Begin**

Meanwhile the Preparatory Committee has proposed to the countries present that talks on articles 15 to 23 and article 37 in chapter V of the draft charter for an International Trade Organization begin on May 7. These articles are concerned with commercial policy problems and are closely related to the trade negotiations.

<sup>1</sup> Includes: the Bahamas, Barbados, Bermuda, British Guiana, British Honduras, Caicos Islands, Cayman Islands, Cyprus, Fiji, Gambia, Gold Coast, Hong Kong, Jamaica, Leeward Islands, Malaga, Malta, Mauritius, Nigeria, Northern Rhodesia, Sierra Leone, the Solomons, Somaliland, Trinidad and Tobago, Turks Island, and the Windward Islands.

*National treatment of imports from ITO members.* Article 15 deals with national treatment on internal taxation and regulation. As presently drafted the article declares that goods imported from countries who are members of the ITO will not be subject to higher taxes or other less favorable treatment than domestic products of the same sort, and that internal taxes, laws, regulations, and requirements should not be used by a country to afford protection directly or indirectly for any domestic product as against a foreign item of the same sort. Mixing or processing requirements (which for example would require that flour milled in a country's territory contain 85 percent domestic wheat and only 15 percent imported wheat) are prohibited.

*Duty-free passage in transit.* As presently drafted, article 16 provides that goods, persons, and baggage which are in transit across a country, in process of direct shipment from another nation to a third country, shall be assured by member countries of free transit without customs or duties or unnecessary delays or restrictions, unless customs regulations are violated. It further provides that importing countries will not put special taxes or other restrictions on imports simply because they have passed through the territory of another country instead of arriving by a different route.

*Regulation of countervailing duties.* Anti-dumping and countervailing duties dealt with in article 17 are special charges an importing country adds to the existing tariff rate when that country wishes to counteract the effect of dumping of foreign goods and of foreign subsidies. This article outlines the conditions under which these duties may be used, in order to avoid their unfair or indiscriminate use.

*Standardization of tariff valuations.* Article 18, dealing with tariff valuation, seeks to set up the definitions by which the value of goods for assessing *ad valorem* duties, which are established as a percent of the value of imported goods, may be determined fairly.

*Simplification of customs rules.* Customs formalities are dealt with in article 19. Frequently fees charged for services connected with customs administration can be used as hidden protective devices. If customs rules are too complicated and numerous they can also hinder trade. This article is designed to achieve simpler customs laws and regulations and keep fees down so that they cover

only the costs of the services involved. In article 20, on marks of origin, the purpose is to prevent undue burdens on international commerce through badly drafted or administered laws regarding marking of imported goods to show their place of origin.

*Publication of national trade regulations.* As an aid to all persons engaged in international commerce, article 21 as now drafted requires countries to publish and send to the ITO all their laws, regulations, judicial decisions, and rulings affecting trade. This excepts those administrative rulings of a country the publication of which would disclose confidential information, impede law enforcement, be contrary to the public interest, or prejudice the legitimate business interests of particular enterprises whether public or private.

*Maintenance and utilization of trade statistics by ITO.* In article 22 a framework is set up in which the ITO will receive trade statistics and other essential information. This article also enables the ITO, in collaboration with the ECOSOC and any other interested international governmental organization, to study both improvements in assembling and utilizing economic statistics and terms, forms, and language used in international trade.

*The question of boycotts.* Article 23 on boycotts requires that no member shall encourage, support, or participate in boycotts against the consumption of products of a specific member country or countries. Under article 37 economic sanctions, even in the form of boycotts, are permissible if applied in accordance with a decision of the United Nations Security Council.

*Protection of morals, health, and national treasures.* Members are free to provide protection of morals, health, national treasures of artistic or historical interest, exhaustible natural resources, and the like, so long as their action is not an arbitrary discrimination or a disguised restriction on international trade. Gold and silver, fissionable materials, and armaments are not to be treated as ordinary commodities, and special regulations are permitted regarding them.

*No conflict with obligations under U. N. Charter.* This article also makes clear that nothing in chapter V of the ITO charter should interfere with obligations assumed under the United Nations Charter for the maintenance or restoration of international peace and security.

## The Requirements of Reconstruction

BY UNDER SECRETARY ACHESON<sup>1</sup>

You who live and work in this rich agricultural region, whose daily lives are concerned with the growth and marketing of cotton and corn and other agricultural products, must derive a certain satisfaction from the fact that the greatest affairs of state never get very far from the soil.

When Secretary of State Marshall returned from the recent meeting of the Council of Foreign Ministers in Moscow he did not talk to us about ideologies or armies. He talked about food and fuel and their relation to industrial production, and the relation of industrial production to the organization of Europe, and the relation of the organization of Europe to the peace of the world.

The devastation of war has brought us back to elementals, to the point where we see clearly how short is the distance from food and fuel either to peace or to anarchy.

Here are some of the basic facts of life with which we are primarily concerned today in the conduct of foreign relations:

The first is that most of the countries of Europe and Asia are today in a state of physical destruction or economic dislocation, or both. Planned, scientific destruction of the enemy's resources carried out by both sides during the war has left factories destroyed, fields impoverished and without fertilizer or machinery to get them back in shape, transportation systems wrecked, populations scattered and on the borderline of starvation, and long-established business and trading connections disrupted.

Another grim fact of international life is that two of the greatest workshops of Europe and Asia—Germany and Japan—upon whose production Europe and Asia were to an important degree dependent before the war, have hardly been able even to begin the process of reconstruction because of the lack of a peace settlement. As we have seen, recent efforts at Moscow to make progress towards a settlement for Germany and Austria have ended with little accomplishment. Meanwhile, political instability in some degree retards revival in nearly every country of Europe and Asia.

A third factor is that unforeseen disasters—what the lawyers call “acts of God”—have occurred to the crops of Europe. For two successive years unusually severe droughts have cut down food production. And during the past winter storms and floods and excessive cold unprecedented in recent years have swept northern Europe and England with enormous damage to agricultural and fuel production. These disasters have slowed down the already slow pace of reconstruction, have impeded recovery of exports, and have obliged many countries to draw down irreplaceable reserves of gold and foreign exchange, which had been earmarked for the importation of reconstruction materials, for the purchase of food and fuel for subsistence.

The accumulation of these grim developments has produced a disparity between production in the United States and production in the rest of the world that is staggering in its proportions. The United States has been spared physical destruction during the war. Moreover, we have been favored with unusually bountiful agricultural crops in recent years. Production in this country is today running at the annual rate of 210 billion dollars.

Responding to this highly abnormal relationship between production in the United States and production in the rest of the world, the United States Government has already authorized and is carrying out an extensive program of relief and reconstruction. We have contributed nearly 3 billion dollars to foreign relief. We have taken the lead in the organization of the International Bank for Reconstruction and Development and the International Monetary Fund, and have subscribed to these two institutions to the extent of almost 6 billion dollars. We have increased the capacity of the Export-Import Bank to make loans abroad by almost 3 billion dollars. We have made a direct loan of 3¾ billion dollars to Great Britain. We

<sup>1</sup> Address made before the Delta Council at Cleveland, Miss., on May 8, 1947, and released to the press on the same date.

are proposing this year to contribute a half billion dollars for relief and reconstruction in the Philippines, and a billion dollars to relief in occupied areas. The President's recommendations for aid to Greece and Turkey to the extent of 400 million dollars and for post-UNRRA relief to the extent of 350 million dollars are still under consideration by Congress. And there are a few other smaller items.

These measures of relief and reconstruction have been only in part suggested by humanitarianism. Your Congress has authorized and your Government is carrying out a policy of relief and reconstruction today chiefly as a matter of national self-interest. For it is generally agreed that until the various countries of the world get on their feet and become self-supporting there can be no political or economic stability in the world and no lasting peace or prosperity for any of us. Without outside aid, the process of recovery in many countries would take so long as to give rise to hopelessness and despair. In these conditions freedom and democracy and the independence of nations could not long survive, for hopeless and hungry people often resort to desperate measures. The war will not be over until the people of the world can again feed and clothe themselves and face the future with some degree of confidence.

The contribution of the United States towards world livelihood and reconstruction is best measured today not in terms of money but in terms of the commodities which we ship abroad. It is commodities—food, clothing, coal, steel, machinery—that the world needs, and it is commodities that we must concentrate our attention upon.

Our exports of goods and services to the rest of the world during the current year, 1947, are estimated to total 16 billion dollars, an all-time peacetime high. Before the war our exports of goods and services fluctuated around 4 billion dollars annually.

It is difficult to imagine 16 billion dollars' worth of commodities. This represents one month's work for each man and woman in the United States, one month's output from every farm, factory, and mine.

Let me give you another indication of the extent of our exports. The volume of commodities now moving out of east coast and Gulf ports of the United States is twice as great as the peak volume which moved out of those ports during the war when we were transporting and supplying not only

our own huge armies abroad but a tremendous volume of lend-lease supplies.

Our exports this year are perhaps the maximum, in quantity, that is likely to be exported abroad in the next few years. At the same time these exports are probably the minimum that we should make available to the world.

It is extremely difficult under present circumstances to increase the volume of our exports further. For in this country, too, there is a great demand for commodities, and foreign customers must compete with American customers. The character and composition of our exports will probably change, with lesser quantities of food, fuel, and raw materials being exported and increased amounts of steel, machinery, and other manufactured products going abroad. But the total volume of exports is not likely to increase substantially until the world gets soundly on its feet and a genuine world prosperity may carry a healthy multilateral trade to higher levels.

In return for the commodities and services which we expect to furnish the world this year, we estimate that we will receive commodities and services from abroad to the value of about 8 billion dollars. This is just about half as much as we are exporting. This volume of imports is equal to about two weeks' work of all the factories, farms, mines, and laborers of the United States, and consists largely of things which are not produced in this country in sufficient quantity. We wish that the imports were larger, but the war-devastated world is just not able to supply more.

The difference between the value of the goods and services which foreign countries must buy from the United States this year and the value of the goods and services they are able to supply to us this year will therefore amount to the huge sum of about 8 billion dollars.

How are foreigners going to get the U.S. dollars necessary to cover this huge difference? And how are they going to get the U.S. dollars to cover a likely difference of nearly the same amount next year? These are some of the most important questions in international relations today.

Of this year's difference between imports and exports, more than 5 billion dollars is being financed by loans and grants-in-aid from the United States Government, through such instruments as direct relief, the Export-Import Bank, the International Bank, the International Fund, and the loan to Great Britain. Funds for this purpose

have already been authorized by Congress. The remainder of this year's deficit will be covered by private investments, remittances of American citizens abroad, and by drawing down the extremely limited foreign reserves of gold and foreign exchange.

But what of next year, and the year after that? Continued political instability and "acts of God" are retarding recovery to a greater degree than had been anticipated. The extreme need of foreign countries for American products is likely, therefore, to continue undiminished in 1948, while the capacity of foreign countries to pay in commodities will probably be only slightly increased. Under existing authorizations, considerable sums will be available to offset next year's deficit. But these funds will taper off rapidly during the latter part of 1948. The need, however, will decline very little if at all.

This is not a bright picture. But we must face up to the facts on the rate of world recovery. It has been widely overlooked that after the first World War it was only in 1925 that the world arrived at the 1914 level of economic activity. And World War II was many times more destructive than World War I. In the late war nations planned on a vast scale and executed with new and tremendously improved weapons the destruction of the enemy's economic resources, with enormous success. Recovery will therefore be correspondingly slow.

One more thing to be considered is that as great as is our supply of commodities and services to the world during the current year, it is still far short of what the people of the world need if they are to eat enough to maintain their physical strength and at the same time carry on essential measures of reconstruction and become self-supporting. This will be true until the other workshops and granaries of the world are back in full production.

What do these facts of international life mean for the United States and for United States foreign policy?

They mean first that we in the United States must take as large a volume of imports as possible from abroad in order that the financial gap between what the world needs and what it can pay for can be narrowed. There is no charity involved in this. It is simply common sense and good business. We are today obliged from considerations

of self-interest and humanitarianism to finance a huge deficit in the world's budget. The only sound way to end this deficit financing is by accepting increased quantities of goods from abroad. There can never be any stability or security in the world for any of us until foreign countries are able to pay in commodities and services for what they need to import and to finance their equipment needs from more normal sources of investment.

Today in Geneva our negotiators are meeting with representatives of 17 other countries in an effort to negotiate a mutual reduction in trade barriers and an agreement upon fair rules to govern international trade. This is one of the ways in which we are attempting to face up to the realities of international life. The Geneva conference must succeed. The International Trade Organization must be established.

The Geneva conference must succeed not only because of the emergency supply and financial situation that exists today, but also because our position as the world's greatest producer and creditor nation demands that for a long period to come we accept an ever larger volume of imports. When the process of reconversion at home is completed, we are going to find ourselves far more dependent upon exports than before the war to maintain levels of business activity to which our economy has become accustomed.

The facts of international life also mean that the United States is going to have to undertake further emergency financing of foreign purchases if foreign countries are to continue to buy in 1948 and 1949 the commodities which they need to sustain life and at the same time rebuild their economies. Requests for further United States aid may reach us through the International Bank, or through the Export-Import Bank, or they may be of a type which existing national and international institutions are not equipped to handle and therefore may be made directly through diplomatic channels. But we know now that further financing, beyond existing authorizations, is going to be needed. No other country is able to bridge the gap in commodities or dollars.

This leads directly to a third imperative for our foreign policy. Since world demand exceeds our ability to supply, we are going to have to concentrate our emergency assistance in areas where it will be most effective in building world political and economic stability, in promoting human freedom and democratic institutions, in fostering lib-



eral trading policies, and in strengthening the authority of the United Nations.

This is merely common sense and sound practice. It is in keeping with the policy announced by President Truman in his special message to Congress on March 12 on aid to Greece and Turkey. Free peoples who are seeking to preserve their independence and democratic institutions and human freedoms against totalitarian pressures, either internal or external, will receive top priority for American reconstruction aid. This is no more than frank recognition, as President Truman said, "that totalitarian regimes imposed on free peoples, by direct or indirect aggression, undermine the foundations of international peace and hence the security of the United States."

The fourth thing we must do in the present situation is to push ahead with the reconstruction of those two great workshops of Europe and Asia—Germany and Japan—upon which the ultimate recovery of the two continents so largely depends. This is what Secretary Marshall meant when he reported to the nation on April 28 that action on behalf of European recovery cannot await "compromise through exhaustion", and that we must take whatever action is possible immediately, even without full Four Power agreement, to effect a larger measure of European, including German, recovery. European recovery cannot be complete until the various parts of Europe's economy are working together in a harmonious whole. And the achievement of a coordinated European economy remains a fundamental objective of our foreign policy.

Finally, in order to carry out an economical and effective policy of relief and reconstruction along the foregoing lines, your Government is going to need the extension by Congress of certain executive powers over the domestic sale, transportation, and exportation of a limited list of commodities. Such controls have been in effect during the war and are still in effect under the President's war powers, but are due to expire June 30th of this year. It is vitally important that these controls be renewed. It is commodities that are needed in critical areas abroad, not just money. It is wheat and coal and steel that are urgently required to stave off economic collapse, not just dollar credits.

Your Government must therefore be able to insure equitable distribution of supplies as between the domestic economy and the export demand. This requires the extension of allocation powers

with respect to a limited list of commodities certified by the Secretary of State and the Secretary of Commerce as critical to the foreign economic policy of the United States. Powers to assign priorities directly to producing firms will be necessary for a still more restricted list of items. At the same time, a continuation of export controls is required in order to direct exports where we want them to go and to cut down unnecessary and undesirable foreign buying in the domestic market.

Power to assign priorities on transportation is also needed. This power is needed in order to insure the efficient use of transportation facilities, particularly freight cars. Without such authority it will be difficult to move bulky export commodities such as coal and grain in the required quantities.

Finally, certain legislation which would enable the Maritime Commission to insure maximum availability and efficient use of shipping is required in order to insure the success of our export programs with respect to bulky items such as coal and grain.

Legislative proposals of this nature have been presented to Congress, or will be presented in the near future. It is of the greatest importance to the foreign economic policy of this country, and thus to the security and well-being of the nation, that these powers be granted.

There is a story going the rounds about a man who, after listening to an extended lecture on the grave financial and economic difficulties of northern Europe and Great Britain, remarked, "And, just think, all the trouble was caused by a blizzard".

I think we will all agree that something more than a blizzard has caused Europe's current difficulties. But last winter's blizzard did show up the extremely narrow margins of human and national subsistence which prevail in the world today, margins so narrow that a blizzard can threaten populations with starvation and nations with bankruptcy and loss of independence.

Not only do human beings and nations exist in narrow economic margins, but also human dignity, human freedom, and democratic institutions.

It is one of the principal aims of our foreign policy today to use our economic and financial resources to widen these margins. It is necessary if we are to preserve our own freedoms and our own democratic institutions. It is necessary for our national security. And it is our duty and our privilege as human beings.

## Soviet Position on Resumption of Joint Commission on Korea

LETTER RECEIVED MAY 9, 1947, BY THE SECRETARY OF STATE  
FROM THE SOVIET FOREIGN MINISTER

*May 7, 1947*

DEAR MR. MARSHALL: I acknowledge receipt of your letter of May 2<sup>1</sup> concerning the resumption of the work of the Joint Soviet-American Commission on Korea.

Your proposal, as I understand it, is to the effect that before the resumption of the work of the Joint Commission an agreement should be reached concerning the conditions for consultation with Korean democratic parties and social organizations.

This question was the subject of an exchange of correspondence between the Soviet and American Commanders in Korea as a result of which, as I already answered in my previous letter, the points of view of the two sides were brought considerably closer.

The Soviet Commander in his letter of November 26, 1946 advanced the following proposals as a basis for the resumption of the work of the Joint Commission:

"1. The Joint Commission must consult those democratic parties and organizations which uphold fully the Moscow decision on Korea.

"2. Parties or social organizations invited for consultation with the Joint Commission must not nominate for consultation those representatives who have compromised themselves by actively voicing opposition to the Moscow decision.

"3. Parties and social organizations invited for consultation with Joint Commission must not and will not voice opposition nor will they incite others to voice opposition to Moscow decision and the work of the Joint Commission. If such be the case such parties and social organizations by mutual agreement of both delegations will be excluded from further consultation with the Joint Commission."

The American Commander in his letter of December 24, 1946 agreed to accept these proposals of the Soviet Commander with the following changes as the basis for the resumption of the work of the Joint Commission:

"Proposal number 1 to be interpreted as follows: signing the declaration in communiqué number 5 will be accepted as declaration of good faith with respect to upholding fully the Moscow decision and will make the signatory party or organization eligible for initial consultation.

"Proposal number 2, I consider it the right of a declarant party or organization to appoint the representative which it believes will best present to the Joint Commission its views on the implementation of the Moscow decision.

"However, should such representative for good reason be believed to be antagonistic to the implementation of the Moscow decision or to either of the Allied powers, the Joint Commission may, after mutual agreement, require the declarant party to name a substitute spokesman.

"Proposal number 3, it is suggested that it be reworded as follows: individuals, parties and social organizations invited for consultation with the Joint Commission should not after signing the declaration contained in communiqué number 5 foment or instigate active opposition to the work of the Joint Commission or to either of the Allied powers or to the fulfillment of the Moscow decision.

"Those individuals, parties and social organizations which after signing the declaration contained in communiqué number 5 do foment or instigate active opposition to the work of the Joint Commission or to either of the Allied powers or to the fulfillment of the Moscow decision shall be excluded from further consultation with the Joint Commission.

"The decision excluding such individuals, parties, and social organizations shall be by agreement of the Joint Commission."

With a view to expediting the resumption of the work of the Joint Commission and the creation of a temporary Korean democratic government, I am prepared to accept the amendments set forth above proposed by the American Commander. I hope that there will thus exist no further reasons

<sup>1</sup> BULLETIN of May 11, 1947, p. 947.

for postponing the convocation of the Joint Commission.

In your letter you state that the Government of the United States is at the present time considering a constructive program for the reconstruction of Korean economy and its cultural and political development. I presume that the Joint Commission, in accordance with the Moscow Agreement on Korea, after the completion of the work connected with the formation of a provisional Korean democratic government should consider with the participation of this government proposals from the American and Soviet sides concerning measures of aid and assistance for the political, economic, and social progress of the Korean people, the development of democratic autonomy, and the establishment of the state independence of Korea and present agreed recommendations on these questions.

I am sending a copy of this letter to the Governments of the United Kingdom and China.

Please accept [etc.]

V. MOLOTOV.

## Economic Stability as Basis for Political Harmony

### MESSAGE FROM SECRETARY OF STATE TO THE UNITED STATES ASSOCIATES

[Released to the press May 9]

*Text of a message from the Secretary of State to Philip D. Reed, of the United States Associates, expressing regret at being unable to attend their dinner on May 6, 1947, at New York City*

I regret that I cannot be with you at your meeting this evening because of the great importance of the subjects with which you are dealing.

Since becoming Secretary of State I have spent most of my time in international political negotiations. This experience has reinforced my conviction that enduring political harmony rests heavily upon economic stability. A lasting peace demands international economic arrangements, whereby natural resources, plant and equipment, and manpower are fully and productively em-

ployed. The goods and services produced must flow through domestic and international trade channels. In no other way can we create an economic and social environment free from the unrest in which political instability is bred.

Mr. Clayton, head of a United States Delegation, is now working in Geneva with the representatives of 17 other nations to remove excessive barriers to trade and to write into the charter for an International Trade Organization a code of good conduct for international trade relationships. This is a basic part of our general foreign policy. The success of these meetings will have a direct relation to the success of our peace efforts.

The roots of this policy reach far down into the basic interests of all of our people. Its benefits will redound to all. Our immediate job is to assure its effectuation. That is the challenge and the responsibility of all of us who earnestly seek an enduring peace.

## Air Agreement With Syria

An air-transport agreement between the United States and Syria was signed at Damascus on April 28, 1947, with Chargé d'Affaires James S. Moose, Jr., signing on behalf of this Government, and Prime Minister Jamil Mardam Bey signing for Syria.<sup>1</sup>

The following routes are designated in the annex to the agreement:

A. Airlines of the United States of America authorized under the present agreement are accorded rights of transit and non-traffic stop in Syrian territory, as well as the right to pick up and discharge international traffic in passengers, cargo, and mail, at Damascus on the following route:

The United States of America through Europe and Turkey to Syria and beyond to India; via intermediate points, in both directions.

B. Airlines of Syria authorized under the present agreement are accorded rights of transit and non-traffic stop in United States territory as well as right to pick up and discharge international traffic in passengers, cargo, and mail in the United States on a route or routes as may be determined at a later date from Syria via intermediate points to the United States, in both directions.

<sup>1</sup> For text of agreement see Department of State press release 384, May 5, 1947.

## Some Aspects of Our Policy in Greece and Turkey

BY HENRY S. VILLARD<sup>1</sup>

Your kind invitation for me to speak here I feel sure is a direct consequence of your interest in foreign affairs. The title of your organization itself, Rotary International, indicates that the scope of your thinking extends beyond your own personal affairs and home communities and even transcends national boundaries.

Indeed, it is obvious that American citizens generally are showing more interest than ever before in the world about them—and with good reason. We in the Department of State are daily impressed with the increased awareness of our people in regard to the importance of international affairs in the lives of all the individuals who go to make up the United States.

The American people seem to have grasped the salient fact that our country emerged from the recent war with vastly greater powers and responsibilities, which in turn magnify the duties and obligations of its officials and citizens alike. This sobering truth has on the whole been accepted with courage and resolution. Nevertheless, I am convinced that there is need for more detailed information on the problems and policies of the United States in the field of foreign affairs. I believe that the people wish to have current developments explained to them in plain and unvarnished terms, so that they may understand fully what is likely to be required of the Nation and of them. In the vernacular, the American people want to know what the score is.

Tonight, I propose to discuss some aspects of our current policy in Greece and Turkey.

The President's speech of March 12 requesting aid for Greece and Turkey produced an immediate and favorable response not only in this country but abroad. At the same time, many independent and liberal thinkers gave expression to certain fears and doubts concerning the wisdom of this policy—a policy which has received the approval of the United States Senate by a most decisive vote. For example, the question has been asked, "Will it make war more likely?" Some people seem to be afraid that we are turning to ruthless imperialism, intervening directly in the internal affairs of other nations. Others appear to be

afraid that we are not—that we are merely supporting so-called reactionary regimes without bringing pressure to bear to introduce our own concept of democracy. Still others are unable to comprehend why the whole business of aid to Greece and Turkey, involving an appropriation of \$400,000,000 for economic and military purposes, cannot conveniently be handed over to the organization of the United Nations—born just two years ago at San Francisco.

I think it is interesting to note that these arguments are precisely what has been heard on the Moscow radio and publicized in the Russian press. Sharp condemnation of President Truman's policy has been the Russian reaction: it is imperialistic, it is reactionary, it endangers peace, it aims at world domination. To understand this a little better, it may be useful to examine the situation more closely from the American viewpoint.

You are all sufficiently well informed, I am sure, of the state of affairs in Greece which led to the desperate appeal of the Greek Government and its people to the Government of the United States and the American people on March 3, 1947. This appeal recited the systematic devastation of Greece, the decimation and debilitation of her people, and the destruction of her economy through invasion and protracted enemy occupation, as well as through the internal disturbances which followed in the wake of war. It set forth the urgent need for financial, economic, and expert assistance to attack the problems of reconstruction and to enable Greece to survive as a self-respecting, independent nation. It said candidly that the destruction in Greece had been so complete as to rob the Greek people of the power to meet the situation by themselves.

We should remember that in addition to its economic plight, the Greek Government was and still is waging a difficult and inconclusive battle with armed bands on her northern boundaries, all

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<sup>1</sup> Address made before the annual district conference of the 194th Rotary district at Charlotte, N.C., on May 5, 1947, and released to the press on the same date. Mr. Villard is Deputy Director of the Office of Near Eastern and African Affairs, Department of State.

of which keeps the country in a state of turmoil, promotes the conditions on which despair and misery breed, and effectively prevents normal post-war recovery. There is ample evidence in our possession that these armed bands are being led by Communists and supplied in part from sources across the Greek frontier.

What were we to do in this emergency?

Reports which have been received by our Government from its representatives in Greece clearly indicate that unless substantial economic support can be given, conditions in that country will deteriorate to a point where the democratic representative government will be forced to succumb to the onslaught of minority groups seeking the establishment of a totalitarian dictatorship.

Many people ask why the United States is now concerned with this situation. You know, of course, that the British Government because of its historic interest and connections in the area had been supplying the Greek civilian and military needs until, a couple of months ago, it found itself unable to do so any longer. The economic situation of Great Britain is so serious and so well known that it does not have to be explained here. Suffice it to say that on February 24, 1947, the British Government informed us that it was no longer in a position to bear the financial responsibilities it had hitherto been carrying with regard to Greece, and that, in its opinion, unless this aid were continued Greece could not hope to survive as an independent country. Since our own interests are involved in this matter, we have found it necessary to face up squarely to the unavoidable issue—will we or will we not help Greece?

It should be obvious that no reconstruction can take place in Greece while organized armed groups defy the authority of the state and foster economic chaos, with the ultimate objective of seizing control of the government by force. The problem confronting us, in view of the inability of Great Britain to carry on, is to so strengthen the economic structure and the internal security of Greece that it can be relieved of the danger presented by an armed subversive minority and proceed peacefully to the building up of an independent, democratic nation.

We offer no apologies for the present government of Greece. It obviously does not in certain respects conform to our particular standards of perfection, but we are satisfied as to two things. The first is

that the members of its Parliament were elected fairly and freely a year ago by the people of Greece under the eyes of more than a thousand observers—American, British, French, and South African—and that the present Cabinet represents at least 85 percent of the Parliament. It will be recalled that the Soviet Government was invited to join in the supervision of these elections but declined to do so. The second point is that by long-standing tradition and by their heroic resistance to Axis aggression the Greek people have earned the right to be classed among those who prefer our way of life to any other.

I should like to emphasize also that with the encouragement of the United States and British Governments, the Government of Greece during the past year has attempted on more than one occasion to broaden the base of its representation. These attempts have borne visible fruit under Prime Minister Maximos, and it would be our policy to encourage further steps to increase the representative character of the Greek Government. On the other hand it is obvious wherever we look that the result of totalitarian regimes is to narrow and restrict the base of representation in the government.

In his speech on March 12, the President said:

"At the present moment in world history nearly every nation must choose between alternative ways of life. The choice is too often not a free one.

"One way of life is based upon the will of the majority and is distinguished by free institutions, representative government, free elections, guarantees of individual liberty, freedom of speech and religion, and freedom from political oppression.

"The second way of life is based upon the will of a minority forcibly imposed upon the majority. It relies upon terror and oppression, a controlled press and radio, fixed elections, and the suppression of personal freedoms."

The President also expressed the belief that "it must be the policy of the United States to support free peoples who are resisting attempted subjugation by armed minorities or by outside pressures" and that "our help should be primarily through economic and financial aid which is essential to economic stability and orderly political processes".

Our decision to aid the Greek people to maintain their way of life has, of course, a humanitarian motive. We dislike to see a small country threat-

ened by the loss of its independence through external pressure and internal disintegration. Our hearts are full of pity for helpless men, women, and children who lack the means to put their own house in order and to gain their daily bread. But let's be a bit selfish about this too—we are supporting Greece because it is in our own self-interest to do so.

I say this because Greece occupies a vital strategic position in the eastern Mediterranean. If democratic institutions in Greece should go under, a glance at the map will show that Turkey would be threatened and, in turn, the whole area of the Near East. Surely we have learned enough from our unwilling involvement in two terrible wars to know that the spread over a large part of Europe and the Near East of regimes based on the uncontrolled power of minorities would constitute an ultimate threat to the foundations of international peace and, therefore, to the security of the United States. As the President put it: "The free peoples of the world look to us for support in maintaining their freedoms. If we falter in our leadership, we may endanger the peace of the world—and we shall surely endanger the welfare of our own Nation."

As I see it, this challenge presents us with only one course of action; namely, to stand on our principles and, sure of the rightness of our cause and the strength of our economic and political structure, firmly and patiently seek to convince the rest of the world that its salvation, as well as ours, lies in genuine cooperation.

The willingness of the United States to cooperate to the limit—short of surrender of our cherished principles—is written in the record of our Government and the words of its statesmen. When he was Secretary of State, Mr. Byrnes said, in one of his many declarations on the subject: "We will continue to seek friendship with the Soviet Union and all other States on the basis of justice and the right of others, as well as ourselves, to opinions and ways of life which we do not and cannot share."

The United States still desires to cooperate, but the experience of recent months convinces us that one-sided offers of cooperation are not enough. Our readiness to cooperate, to achieve results, must be accompanied by positive actions in behalf of the principles for which we stand. This course must be supported by continued strengthening of the American economy at home, as the impregnable

base of democracy throughout the world. This is essential to the national security of the United States itself.

Now what about Turkey? The geographic location of Turkey is even more important than that of Greece. Strategically, it bears a direct relation to the structure of international peace and security, including the peace and security of the United States. So long as Turkey is able to maintain its integrity and independence, it forms a bastion protecting the Near and Middle East and gives the countries of this area hope of following independent policies and of maintaining their own integrity and independence. Any crack in that edifice would invite the most serious consequences.

While pressure on Greece has been exerted both externally and internally, the strong internal position of Turkey has restricted the campaign against her to external pressure alone. The Soviet Government officially has concentrated its effort on attempts to obtain a favored position in supervision and control of the famous Straits of the Dardanelles. At the same time, the Russians have advanced both direct and indirect demands for the incorporation into the Soviet Union of territory in Turkey's eastern provinces—areas which form an integral part of the Turkish state.

Historically, control of the Dardanelles, connecting the Mediterranean and the Black Sea, has always been a bone of contention. In the last two centuries, Russia fought eleven wars with Turkey in unsuccessful efforts to gain control of that strategic prize. In recent years, the status of the Straits has been governed by the Montreux convention of 1936, which the United States, Great Britain, and the Soviet Union agreed at the Potsdam conference in 1945 should be revised to meet changed conditions. The United States, which was not a signatory to the Montreux convention, expressed a willingness to become a party to the new pact, and the Turks welcomed the calling of a revisionary conference on that basis.

The Soviet Union, however, has proposed modifications which would require Turkey to share with Russia the defense of the Straits—which run entirely through Turkish territory. This would, in effect, give Russia military bases in the Straits area. Not unnaturally, the Turks have rejected the proposal as a threat to the territorial integrity of their country.

Meanwhile, the Soviet press and radio, which of course express the government's views, have

conducted a persistent war of nerves against Turkey. Territorial demands that would dismember the eastern provinces of Turkey have figured prominently in the Soviet propaganda. The plucky Turks have served notice that they will defend themselves, alone if necessary, against any aggression and have kept a large force under arms to back up their stand.

While we are on the subject of Turkey, let me refer for a moment to the charges in certain quarters that Turkey is not worthy of our help because of her neutrality during most of the war and the alleged assistance thus rendered to the Axis. To set the record straight, it was decided at the Tehran conference in December 1943 to invite Turkey to declare war against Germany. Turkey agreed to do so, provided adequate military supplies were forthcoming from the Allies. It was not possible for us to furnish such supplies because preparations were even then under way for the invasion on the western front in June of 1944, and we were in no position at that time to undertake the additional commitment. At best, a belligerent Turkey could have served the Allied cause only by keeping Axis troops from occupying her territory—a result achieved anyway by her continued neutrality. Moreover, the record is replete with instances in which Turkey provided aid and comfort to elements of the Allied forces. In the opinion of the United States Government, Turkish neutrality was, in fact, of definite assistance to the Allies.

The heavy cost to Turkey today of keeping her army mobilized and ready, and the consequent drain on the nation's economic resources, have made it necessary for the Turks to seek support from the United States for the purpose of maintaining their independence. As in the case of Greece, Great Britain has in the past afforded economic and financial support to Turkey and now finds it impossible to do so. Again, the problem has been put up to us as to whether we shall assist a free and independent country to remain such. Since it is in our own interest to do so, we now propose to implement with our resources a policy which has been previously sustained primarily with British resources. The policy itself is not new.

Judging by the past, who can doubt that if an anti-democratic regime once became entrenched in Greece and astride the Straits, this area would become a new base for still further expansion in

the Middle East, through the familiar tactics of intimidation, infiltration, and propaganda?

One further question remains: Why the problem of aid to Greece and Turkey was not handled by the United Nations. In the first place, the appeal of the Greek Government in its moment of crisis was made directly to the United States, while economic and military assistance for Turkey had for some time been a matter for discussion between our Government and the Turkish Government.

But it might be objected that this is a technicality and does not consider the broader aspects of the subject. In this respect also, I feel that our Government acted wisely. For, because of the critical and threatening situation confronting Greece and Turkey, time was of the essence. Let me ask you what might have happened if the matter had been formally referred to the United Nations—disregarding, for the moment, the fact that the United Nations has no funds for such purposes anyway.

In the light of the record so far, can anyone doubt that a long, drawn-out debate would have ensued, accompanied by the numerous objections and exasperating delays which we have become accustomed to expect from the Soviet Delegates and their associates? Is it logical to expect that the Soviet members of the United Nations would have moved swiftly and sympathetically to consider a policy which the Soviet press and radio have charged was "directed against democratic elements in Greece"? Is it not possible that if the issue had been brought for decision to the Security Council, we should have found ourselves at long last trapped on a dead-end street, with a veto blocking the way? What would have happened meanwhile in Greece and Turkey?

I personally believe that we can best serve the cause of the United Nations itself by assessing both the strength and the weakness of the United Nations and frankly recognizing its present limitations as well as its potentialities. I sometimes wonder if the American people have not made the mistake of regarding the United Nations as a sort of mechanical marvel, assuming it will operate automatically to produce solutions to difficult questions. The truth is, of course, that the United Nations is not a mechanism into which we can drop problems and, by turning the crank, have satisfactory answers come out the other end, untouched by human hand.

I have said that the United Nations has no funds



for assisting Greece and Turkey. While it is true that the International Bank, an affiliated organization, has financial resources, it is not designed to furnish money for the purpose of strengthening the security of a member country or to provide consumption goods, which are the two greatest immediate needs of Greece and Turkey. As their needs change, it is our expectation that both countries will be able to draw on the Bank to rehabilitate and develop their economy.

The United Nations, as I see it, is a human institution, and its members are subject to human fallibility; certainly the United Nations is capable of developing through experience to maturity and wisdom. I believe it can rise to heights of great moral grandeur, such as man himself on occasion can attain. But we would do the United Nations, now in the formative stage, a grave injustice to expect it to undertake tasks which it is not yet prepared to perform.

Our objective is to build the United Nations into a body of healthy member states, each secure in the knowledge that it may act freely and independently without fear of outside domination or control. That is the fundamental question in the case of Greece and Turkey. The successful evolution of the United Nations into an organ of true international cooperation requires that the integrity and independence of Greece and Turkey be preserved—and the only effective way to insure that is by prompt American action.

I do not have to tell you that the cornerstone of American foreign policy is the maintenance of world peace. If there is anything on which the people of this country are united, it is the desire to eliminate war from the course of human existence. I am likewise convinced that this is the basic hope and aim of the peoples of all countries. Certainly it would be inconceivable for a government representing the people of the United States to take any action which in its opinion was not designed to promote the attainment of that great ideal.

It is our sincere desire to collaborate with all peoples of the world, and in that I naturally include the Russian people. Those who really know us, I am persuaded, understand full well that it is not our wish to dominate, intimidate, or threaten the security of any nation, large or small. As Senator Austin, the United States Delegate, told the United Nations Security Council on March 28, in discussing the Greek-Turkish case, we "will support collective security for all nations—large as

well as small." The United States, Senator Austin added, respects "the right of all members of the United Nations to follow whatever way of life or system of government they choose, so long as the choice is freely made without intimidation and so long as such nations do not interfere with the rights of other countries or the liberties of other peoples."

Senator Austin also told the Security Council: "The United States regards it as an obligation under the Charter, as well as a matter of elementary self-interest, for every member of the United Nations to do its utmost to bring about the peaceful adjustment of any international situation *before* it becomes a threat to the peace."

That, it seems to me, is the primary lesson we should have learned from two world wars. I believe that a firm and steadfast policy on our part, far from being likely to draw us into a war, is the best way to assure peace, by convincing the leaders of other countries that our brand of democracy is here to stay. Those leaders, after all, are realists; they know that "facts are stubborn things, and will not down". While we confront them with the facts of democratic strength and the force of public opinion in the free world, let us inform all peoples—in ways that penetrate even the Iron Curtain—that we desire only cooperation and friendship with them.

Peace is the great goal, but, as we see, it is not easily won. This country and its Government recognize the difficulties, but these only strengthen our determination. In the cause of peace we intend to aid Greece and Turkey. We extend the hand of friendship to all peoples who will join with us in honest labor for that same great cause.

#### **Aid to Greece and Turkey**

A supplement to the Department of State BULLETIN entitled "Aid to Greece and Turkey", publication number 2802, dated May 4, 1947, will appear at an early date. The supplement will include the President's recommendations to Congress for aid to Greece and Turkey; testimonies by State Department officials at congressional hearings; statement by Ambassador Austin before the Security Council; and a summary of the report and recommendations of the American Economic Mission to Greece.

## Request to Poland Concerning Gold From Portugal

*Text of American note delivered to the Polish Government on May 6, 1947. (The British and French Governments delivered similar notes at the same time)*

The Embassy of the United States of America presents its compliments to the Minister of Foreign Affairs and has the honor, under instructions from its Government, to inform the Ministry that the Government of the United States has received information that gold is being considered as the manner of payment for coal purchased from Poland by Portugal through the intermediary of the Nehaba Corporation, Zurich, Switzerland.

The Government of the United States well understands and is sympathetic with the desire of the Government of Poland to develop trade with Portugal. It would seem appropriate, however, to recall that the Polish Government subscribed to the resolutions which were adopted at the Bretton Woods Conference and also to the Allied gold declaration of February 22, 1944,<sup>1</sup> and as there is reason to believe that the Portugal Government has in its possession an amount of gold which was looted from Allied countries by the German au-

<sup>1</sup> Former Secretary of the Treasury Morgenthau issued the following declaration on Feb. 22, 1944:

On January 5, 1943 the United States and certain others of the United Nations issued a warning to all concerned, and in particular to persons in neutral countries, that they intend to do their utmost to defeat the methods of dispossession practiced by the governments with which they are at war against the countries and peoples who have been so wantonly assaulted and despoiled. Furthermore, it has been announced many times that one of the purposes of the financial and property controls of the United States Government is to prevent the liquidation in the United States of assets looted by the Axis through duress and conquest.

One of the particular methods of dispossession practiced by the Axis powers has been the illegal seizure of large amounts of gold belonging to the nations they have occupied and plundered. The Axis powers have purported to sell such looted gold to various countries which continue to maintain diplomatic and commercial relations with the Axis, such gold thereby providing an important source of foreign exchange to the Axis and enabling the Axis to obtain much-needed imports from these countries.

The United States Treasury has already taken measures designed to protect the assets of the invaded countries and to prevent the Axis from disposing of looted

thorities, the United States Government is confident that unless informed that the Portugal gold settlement has been reached, the Government of Poland would not wish to be a party to a transaction by which Allied countries, including Poland, might be deprived of receiving gold looted from them. The United States Government wishes to point out that even though Poland would receive Swiss francs, the 1944 gold declaration would be violated if, arising out of or related to such a transaction, Portuguese gold were to be made available to the Nehaba Corporation.

The Government of the United States in agreement with his Majesty's Government in the United Kingdom and the Government of France therefore expects that the Government of Poland will, on the basis of Resolution VI<sup>2</sup> of the Bretton Woods Conference and of the Allied gold declaration of February 22, 1944, request the Portuguese Government to furnish satisfactory evidence that the Portuguese gold holdings do not comprise gold which has been looted. In doing so, it would greatly assist the task in which the Government of the United States shares of obtaining the return of looted gold to its owners.

currencies, securities, and other looted assets on the world market. Similarly, the United States Government cannot in any way condone the policy of systematic plundering adopted by the Axis or participate in any way directly or indirectly in the unlawful disposition of looted gold.

In view of the foregoing facts and considerations, the United States Government formally declares that it does not and will not recognize the transference of title to the looted gold which the Axis at any time holds or has disposed of in world markets. It further declares that it will be the policy of the United States Treasury not to buy any gold presently located outside of the territorial limits of the United States from any country which has not broken relations with the Axis, or from any country which after the date of this announcement acquires gold from any country which has not broken relations with the Axis, unless and until the United States Treasury is fully satisfied that such gold is not gold which was acquired directly or indirectly from the Axis powers or is not gold which any such country has been or is enabled to release as a result of the acquisition of gold directly or indirectly from the Axis powers.

It is understood that a similar declaration is being issued simultaneously by the United Kingdom Treasury, and by the Union of Soviet Socialist Republics.

<sup>2</sup> BULLETIN of Oct. 8, 1944, p. 384.

## Procedure for Filing Claims With Office of Alien Property

[Released to the press May 8]

The Department of State on May 8 reminded persons in the United States that June 1, 1947, has been set as the dead line for filing debt claims against persons, corporations, and foreign governments whose property was vested by the Office of Alien Property, Department of Justice, during the war prior to January 1, 1947.

The Department of Justice has recently stated that claims of American creditors against enemy property seized before January 1, 1947, cannot be considered unless filed by June 1, 1947.

To protect their interests, American holders of securities issued by foreign countries and firms, as well as other kinds of American creditors, should seek information as to whether assets of their debtors have been vested, by communicating with the Office of Alien Property, Department of Justice, Washington 25, D.C., or with any United States Attorney's office in the United States. Forms necessary for filing claims may also be procured from the Office of Alien Property or from any United States Attorney's office.

## Air-Transport Agreement With Argentina

The Department of State announced on May 6 the terms of the bilateral air-transport agreement signed between the United States of America and Argentina on May 1, 1947.<sup>1</sup>

This agreement substantially follows the principles incorporated in the other bilateral air-transport agreements entered into by the United States with various countries, being modeled on the Chicago standard-form agreement and the Bermuda agreement between the United States and the United Kingdom.

No routes or traffic points were agreed upon at the time of the signing of the agreement, but these will be negotiated and agreed upon at future dates.

## Argentine Architect Visits U.S.

Martin Noel, eminent Argentine architect and president of the Argentine Academy of Fine Arts of Buenos Aires, is visiting the United States at the invitation of the Department of State. While in the United States he plans to visit educational centers, art museums, galleries, and libraries and

observe the systems under which these institutions operate. Wherever possible he hopes to study developments in city planning, housing, and public works such as power plants, canals, and dams.

Mr. Noel will spend approximately four months in the United States, and plans to visit Washington, Philadelphia, New York, New Haven, Boston, Cleveland, Chicago, and Pittsburgh. He will be accompanied by his wife.

## Proposed U.S.-Panama Agreement on Use of Defense Sites in Panama

[Released to the press May 5]

The United States Ambassador to Panama, Frank T. Hines, handed a formal communication to the Foreign Minister of the Republic of Panama, Ricardo J. Alfaro, on May 5, proposing a new agreement between the two Governments for the use of defense sites in Panama.

This agreement, when signed by representatives of both Governments, will replace the accord of May 18, 1942. Under the former agreement the Republic of Panama made available 134 areas in its national territory for use by United States armed forces in defense of the Panama Canal. Of that total 98 sites have now been turned back to Panama. Only 36, a majority of which comprise technical installations essential to safe aerial navigation, are still in use by United States authorities.

For some time the two Governments have been studying together the lessons learned during the recent war as they affect Canal defense and have been considering current and future requirements for its protection. The agreement now proposed is designed to insure continuous operation and effective protection of the Canal as provided in the treaty of friendship and cooperation signed by the two countries in 1936. It gives recognition to the fact that requirements of modern defense make necessary the use of certain areas outside the 10-mile-wide Canal Zone for the protection of the international waterway which is so vital to the interests of the United States, Panama, and the entire hemisphere.

The proposal of the United States provides for the appointment by the two Governments of representatives who will jointly administer the agreement.

<sup>1</sup> For text of agreement, see Department of State press release 387 of May 6, 1947.

## Educational, Scientific, and Cultural Cooperation With Mexico

During the visit of President Alemán of Mexico to the United States, a full report was presented throughout Mexico by the Office of International Information and Cultural Affairs of the Department of State through the American Embassy at Mexico City. Supplementing coverage of the President's visit by American news agencies which are largely concentrated in the Mexican capital, the OIC staff in Mexico City distributed background material and photographs to about 50 newspapers and publications outside of Mexico City.

In addition to supplying material in Spanish on the points of interest visited by the President, the OIC staff arranged for the showing of documentary movies on Washington, New York, West Point, TVA, and the Midwest in schools and exhibition halls in Mexico, through 44 motion-picture projectors loaned by the Embassy. Before President Alemán left Mexico, the OIC staff supplied background material in Spanish on the United States to the 50 Mexican news and radiomen accompanying him on his trip.

The visit of President Truman to Mexico last March and the present return visit of President Alemán highlight a program begun during the war years in which the people of Mexico have been better informed about the United States than ever before through the media of motion pictures, radio, press and publications, and scientific and technical cooperation. It is an example of American foreign-information policy in the nearest foreign-language country to the United States.

The OIC staff in Mexico functions under the direction of Ambassador Walter Thurston. Five Americans in the staff include two Foreign Service career men, and three former news and magazine writers who have lived and worked in various parts of the United States. They supervise the work of 17 Mexican employees, including translators, news and feature writers, and clerks.

Facts and figures on the informational and cultural program in Mexico show that millions of men and women are learning more about the United States each month, and are receiving elemental instruction on all phases of life in the United States.

Through the cooperation of Mexican Government agencies with the American Embassy, documentary films are shown in 179 towns throughout Mexico more than 2,000 times a month and are seen by an audience averaging about one and a half million persons a month. These films tell the story of American agriculture and industry, the fundamentals of health and sanitation, and sometimes, in a mixture of entertainment with instruction, the human side of life in a small American town.

The secretaries of the Mexican Departments of Public Education, Public Health, Agriculture, and Labor all have asked the American Embassy for an expansion of the present motion-picture program in a national campaign to combat illiteracy and raise the standard of living in Mexico. The Mexican Government hopes eventually to install motion-picture projectors in schools throughout Mexico.

In the field of intellectual cooperation, the Benjamin Franklin Library, established in Mexico City in 1942, circulates nearly 20,000 books to over 10,000 registered borrowers and many others who come to the library for research and reading. The library sponsors two local radio programs in which instruction in the English language is given for 15-minute periods three times a week. In addition, the Instituto Mexicano-Norteamericano de Relaciones Culturales, sponsored by OIC, now is conducting classes in English for about 2,800 Mexican nationals, many of whom pay for their lessons.

News and feature material is distributed through the Embassy to 50 newspapers and other publications throughout Mexico, and an average of more than 500 items is published each month. This material includes features based on news items of particular interest to Mexico, background articles on educational and industrial developments in the United States, and official texts from the daily State Department *Wireless Bulletin*, sent to Mexico City from Washington by air mail.

Scientific and technical aid for the development of Mexican agriculture and industry and the eventual development of markets for American enterprise is provided through the Interdepart-

mental Committee on Scientific and Cultural Cooperation. This committee includes experts of the Departments of Agriculture, Commerce, Interior, and the United States Public Health Service, and has aided in the development in Mexico of civil aviation, weather observations, and mineral and fishery surveys.

A long-range program of knitting closer ties between the two countries is carried out through the international exchange of persons. Students

and professors from each of the two nations visit the schools and universities of the other nation to pursue or teach their technical specialties.

Years from now, American students and professors who have visited Mexico will have a closer understanding of Mexican problems. Similarly, Mexican students and professors who have studied and taught in the United States will have, and spread, a greater appreciation of the United States throughout Mexico.

## Supplementary Protocol Relating to Whaling

### THE PRESIDENT'S LETTER OF TRANSMITTAL

THE WHITE HOUSE, *April 30, 1947.*

*To the Senate of the United States:*

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a certified copy of a supplementary protocol for the regulation of whaling, which was signed at London under date of March 3, 1947. This supplementary protocol modifies the protocol signed at London November 26, 1945, amending in certain particulars the international agreement for the regulation of whaling, signed at London June 8, 1937, as amended by the protocols signed at London June 24, 1938, and February 7, 1944. The supplementary protocol was signed for the United States

of America "subject to ratification," and for Australia "subject to approval," Canada, Denmark, France, New Zealand, Norway, the Union of South Africa, the Union of Soviet Socialist Republics, and the United Kingdom of Great Britain and Northern Ireland.

I transmit also, for the information of the Senate, a report made to me by the Acting Secretary of State explanatory of the purpose of the supplementary protocol.

HARRY S. TRUMAN

(Enclosures: (1) Report of the Acting Secretary of State; (2) certified copy of supplementary protocol, opened for signature at London, March 3, 1947, for the regulation of whaling.)

### REPORT OF THE ACTING SECRETARY OF STATE

WASHINGTON, *April 26, 1947.*

THE PRESIDENT,

*The White House:*

The undersigned, the Acting Secretary of State, has the honor to lay before the President for transmission to the Senate, to receive the advice and consent of that body to ratification, if his judgment approve thereof, a certified copy of a supplementary protocol for the regulation of whaling, which was signed at London under date of March 3, 1947. This supplementary protocol modifies the protocol signed at London, November 26, 1945, amending in certain particulars the international agreement for the regulation of whaling, signed at London June 8, 1937, as amended by the protocols signed at London June 24, 1938, and February 7,

1944. The supplementary protocol was signed at London for the United States of America "subject to ratification," and for Australia "subject to approval," Canada, Denmark, France, New Zealand, Norway, the Union of South Africa, the Union of Soviet Socialist Republics, and the United Kingdom of Great Britain and Northern Ireland.

The purpose of the supplementary protocol is to bring into force in their entirety the provisions of the protocol of November 26, 1945.

Article 8 (1) of the protocol of 1945 stipulates that that protocol shall enter into force in its entirety when the Governments mentioned in the preamble thereto, namely, the United States of

<sup>1</sup> S. Exec. P., 80th Cong., 1st sess.

<sup>2</sup> Protocol not printed.

America, Australia, Canada, Denmark, France, Mexico, the Netherlands, New Zealand, Norway, the Union of South Africa, and the United Kingdom of Great Britain and Northern Ireland, shall have deposited their instruments of ratification or given notifications of accession. All of those Governments except the Governments of Mexico and the Netherlands have deposited instruments of ratification of the protocol of 1945. Certain of its provisions (arts. 2, 3, 4, 6 (1) and (2), 7, and 8) became effective, in accordance with the procedure established by article 8 (2), when instruments of ratification had been deposited by at least three of the signatory Governments. Since instruments of ratification have not been deposited by the Governments of Mexico and the Netherlands, the provisions of articles 1, 5, and 6 (3) had not been brought into operation between any countries until the supplementary protocol of March 3, 1947, was signed.

The articles of the protocol of 1945, which are brought into force by the supplementary protocol, contain provisions relating to a temporary extension in the period allotted for certain whaling activities. Article I provides that the season during which factory ships and whale catchers operating with them may be used in taking and treating baleen whales shall be extended for an additional month so as to cover the period from December 8, 1946, to April 7, 1947. If the protocol had not been brought into force in its entirety, the 1946-47 whaling season would have been governed by the stipulations of article 7 of the agreement of 1937, which provides that each season shall extend from December 8 of one year to March 7 of the following year.

Article 5 of the protocol of 1945 waives for the period from May 1 to October 31, 1947, the requirement, contained in article 3 (2) of the protocol of 1938, concerning the use of factory ships as land stations when operating within territorial waters.

Paragraph (3) of article 6 of the protocol of 1945 defines certain expressions used in that protocol.

The Senate, on July 30, 1946, gave its advice and consent to ratification of the protocol of 1945, and that protocol was ratified by the President on August 12, 1946. The instrument of ratification was deposited with the Government of the United Kingdom on August 30, 1946, on which date the

provisions specified in article 8 (2) became effective with respect to the United States of America.

The supplementary protocol of March 3, 1947, has two articles. Article 1 provides that, notwithstanding the provisions of article 8 (1) of the protocol of 1945, that protocol shall come into force with respect to the governments on behalf of which the supplementary protocol is signed, immediately on its signature. This article removes the necessity for the deposit of ratifications of the protocol of 1945 by the Governments of Mexico and the Netherlands before all the provisions of the protocol of 1945 come into force. The Governments of Mexico and the Netherlands, according to information received officially by the Department, have given assurances that the procedure provided for by the supplementary protocol for the purpose of bringing the protocol of 1945 into force in its entirety meets with their approval. Article II relates to the duration of the period during which the supplementary protocol remained open for signature. In view of the constitutional processes of this Government with respect to treaties, the signature of this supplementary protocol was made "subject to ratification" in order that the advice and consent of the Senate might be obtained with respect to this change in the procedure for fixing the effective date of the protocol of 1945 in its entirety.

Respectfully submitted.

DEAN ACHESON

(Enclosure: Certified copy of supplementary protocol, opened for signature at London, March 3, 1947, for the regulation of whaling.)

## Haitian Educator Visits U. S.

Arsène Pompée, Superintendent of Secondary Education, Port-au-Prince, Haiti, is visiting the United States at the invitation of the Department of State. He has been awarded a travel grant under a program administered by the Division of International Exchange of Persons of the Department, to enable him to confer with colleagues in the field of education and to study the educational systems of the secondary schools of the United States in the urban and rural areas.

Mr. Pompée arrived in Washington on April 30, 1947, and will spend approximately three months in the United States.

## Policy Planning Staff

[Released to the press May 7]

Announcement is made of the establishment in the Office of the Under Secretary of State, effective May 5, 1947, of the Policy Planning Staff for the purpose of assuring the development of long-range policy.

George F. Kennan, Career Minister, now serving as Deputy for Foreign Affairs at the National War College, has been designated Director of this staff, and Carlton Savage, formerly Assistant to the Secretary of State, will serve as Executive Secretary.

The text of the Departmental regulation<sup>1</sup> setting up the Policy Planning Staff follows:

(a) *Purpose.* Under the direction of the Under Secretary of State, to assure the development, within the Department, of long-range policy which will serve as a framework for program-planning and a guide for current policy decisions and operations.

(b) *Major functions.* The Policy Planning Staff shall advise and assist the Under Secretary by performing the following functions:

- (1) Formulating and developing, for the consideration and approval of appropriate officials of the Department, long-term program for the achievement of American foreign-policy objectives.
- (2) Anticipating problems which the Department may encounter in the discharge of its mission.
- (3) Undertaking studies and preparing reports on broad politico-military problems which the Department may submit for consideration by SWNCC, the Committee of Three, or other similar bodies.
- (4) Examining, independently or upon reference by the Secretary or the Under Secretary, problems and developments affecting United States foreign policy in order to evaluate the adequacy of current policy and making advisory recommendations pertaining thereto.
- (5) Coordinating planning activities within the Department of State.

In the discharge of the above functions, the Policy Planning Staff has no operational responsibility and will not issue directives, instructions, etc., to the operational organizations of the Department or to missions in the field. However, in order to

insure a realistic basis for planning, close contact shall be maintained between the Staff and operational organizations; and the latter shall be responsible for keeping the Staff informed of their planning activities.

(c) *Organization.* The Policy Planning Staff shall be:

- (1) Headed by a Director to report and be responsible to the Under Secretary.
- (2) Assisted by panels of special advisers from the operating branches of the Department, from other departments or agencies, and from outside the Government.
- (3) Serviced administratively by the Executive Secretariat.

## Legal Groups Invited to Discussion of Codification of International Law

[Released to the press May 6]

The Department of State on May 6 invited American legal groups and former judges of the Permanent Court of International Justice to a meeting on May 9 to discuss problems in the codification of international law.

The groups and individuals will meet with Philip C. Jessup, professor of international law at Columbia University and recently appointed United States representative to the Committee on the Progressive Development of International Law and Its Codification, and Charles Fahy, Legal Adviser, Department of State.

The following were invited to the meeting:

American Bar Association  
 American Branch of International Law Association  
 American Law Institute  
 American Society of International Law  
 Carnegie Endowment for International Peace  
 Federal Bar Association  
 Former Judges of Permanent Court of International Justice: Charles Evans Hughes, Manley O. Hudson, and John Bassett Moore  
 National Lawyers Guild

## Disposal of Certain Foreign Merchant Vessels

The President, by Executive Order 9848 of May 8, 1947,<sup>2</sup> authorizes the United States Maritime Commission to dispose of certain foreign mer-

<sup>1</sup> CFR, title 22, § 1.111.

<sup>2</sup>12 *Federal Register* 3059.



chant vessels in its possession which are lying idle in waters within the jurisdiction of the United States, provided that the proposed disposition of any such vessel shall be found by the Secretary of State to be consistent with the foreign policies of the United States and shall be found by the Attorney General to be without prejudice to the interests of the United States in any litigation in which any such vessel may be involved; and provided further that the moneys received on account of the sale or return of any such vessel, after deduction therefrom of any expenses incurred by the Commission in connection with such sale or return, shall be deposited in the Treasury of the United States to the credit of miscellaneous receipts.

## **"Nazi Conspiracy and Aggression", Volume VIII**

Publication of the eighth and last in a series of volumes prepared by the American Prosecution Staff and entitled *Nazi Conspiracy and Aggression* was announced on May 10.

Available to the public at the Government Printing Office, the work contains a wealth of important documents hitherto unpublished, including transcripts of the first interviews held by Lord Simon, disguised because of wartime secrecy as "Dr. Guthrie", with Rudolf Hess after the latter's flight to England in May 1941. These reports disclose that the purpose of the Deputy Führer's mission, undertaken shortly before the German invasion of Soviet Russia, was to bribe Great Britain to withdraw from the war by guaranteeing her Empire possessions in return for uncontested German hegemony in conquered Europe.

In addition, the eighth volume of the series includes a collection of affidavits by high-ranking German generals describing the plan to assassinate the French General Giraud, as well as the nature of the anti-Hitler movement within the Army, the basic German plan to eliminate the Jews, and the performance of medical experiments on human beings.

## **THE FOREIGN SERVICE Consular Offices**

The American Consulate at Las Palmas de Gran Canaria, Canary Islands, was closed on September 30, 1946.

The American Mission at Baghdad, Iraq, was raised to the rank of Embassy on December 28, 1946.

The American Consular Agency at Djibouti, French Somali Coast, was closed December 18, 1946.

The American Legation at Bangkok was raised to the rank of Embassy March 18, 1947.

The American Consulate at Hanoi, French Indochina, was established on January 9, 1947.

The American Legation at Copenhagen was raised to the rank of Embassy on March 18, 1947.

The American Consulate at Krakow, Poland, was closed on April 17, 1947.

## **THE DEPARTMENT**

### **Appointment of Officers**

Arthur G. Stevens as Special Assistant and Kingsley W. Hamilton as Assistant, Office of the Under Secretary for Economic Affairs, effective March 23, and March 15, 1947, respectively.

Bolling R. Powell, Jr., as Deputy Director and Henry L. Deimel, Jr., as Adviser, Office of Transport and Communications, effective April 20, 1947.

John W. Bays as Chief, Division of Foreign Service Administration, effective April 21, 1947.

## **THE CONGRESS**

Amending Section 327 (H) of the Nationality Act of 1940: Report to accompany H.R. 2238. H. Rept. 273, 80th Cong., 1st sess. 2 pp.

Create a Select Committee on Foreign Aid: Report from the Committee on Rules, to accompany H. Res. 173. H. Rept. 299, 80th Cong., 1st sess. 1 p.

Authorizing the Reappointment of Herschel V. Johnson to the Foreign Service of the United States: Report from the Committee on Foreign Affairs, to accompany S.J. Res. 86, a bill to authorize Herschel V. Johnson, Deputy Representative of the United States to the Security Council of the United Nations, to be reappointed to the Foreign Service. H. Rept. 286, 80th Cong., 1st sess. 2 pp.

Authorizing Appointment of Lt. Comdr. Paul A. Smith: Report from the Committee on Merchant Marine and Fisheries, to accompany S. 874, a bill to authorize the President to appoint Lt. Comdr. Paul A. Smith as alternate representative of the United States to the Interim Council of the Provisional International Civil Aviation Organization or its successor, and as representative of the United States to the Air Navigation Committee of the Provisional International Civil Aviation Organization, without affecting his status and perquisites as an officer of the Coast and Geodetic Survey. H. Rept. 297, 80th Cong., 1st sess. 4 pp.

Assistance to Greece and Turkey: Hearings before the Committee on Foreign Affairs of the House of Representatives on H. R. 2616, a bill to provide for assistance to Greece and Turkey. H. R. 2616, 80th Cong., 1st sess. 388 pp.

Convention With Union of South Africa Relating to Taxation: Message from the President of the United States transmitting the convention between the United States of America and the Union of South Africa, signed at Pretoria on December 13, 1946, in the English and Afrikaans languages, for the avoidance of double taxation and for

establishing rules of reciprocal administrative assistance with respect to taxes of income. S. Exec. O, 80th Cong., 1st sess. 12 pp.

Assistance to Greece and Turkey: Report from the Committee on Foreign Affairs, to accompany H. R. 2616, a bill to provide for assistance to Greece and Turkey. H. Rept. 314, 80th Cong., 1st sess. 24 pp.

Permit United States Common Communications Carriers To Render Free Communications Services to Official Participants in the World Telecommunications Conferences in the United States in 1947: Report from the Committee on Interstate and Foreign Commerce, to accompany S. J. Res. 102, a resolution which provides that notwithstanding the provisions of section 210 of the Communications Act of 1934, as amended, United States communication carriers may extend free communication privileges to official participants in the forthcoming world telecommunications conferences. S. Rept. 138, 80th Cong., 1st sess. 2 pp.

Filipinos in the Naval Reserve: Report from the Committee on Armed Services, to accompany H. J. Res. 90, a resolution to correct an error in the act approved August 10, 1946 (Public Law 720, 79th Cong., 2d sess.), relating to the composition of the Naval Reserve. S. Rept. 136, 80th Cong., 1st sess. 2 pp.

Second Deficiency Appropriation Bill for 1947: Hearings before the Subcommittee of the Committee on Appropriations of the House of Representatives. 80th Cong., 1st sess. 369 pp. (Department of State, pp. 139-158.)

First Report of the Air Coordinating Committee: Message from the President of the United States transmitting the first report of the Air Coordinating Committee, for the calendar year 1946. H. Doc. 148, 80th Cong., 1st sess. 48 pp.

Amendment of Philippine Rehabilitation Act of 1946: Hearings before the Committee on Foreign Affairs of the House of Representatives on H. R. 2641 and H. R. 2675, bills to amend the Philippine Rehabilitation Act of 1946, as amended. 80th Cong., 1st sess. 27 pp.

Reorganization Plan No. 1 of 1947: Message from the President of the United States transmitting Reorganization Plan No. 1 of 1947, designed to maintain organizational arrangements worked out under authority of title I of the First War Powers Act. H. Doc. 230, 80th Cong., 1st sess. 8 pp.

Reorganization Plan No. 2 of 1947: Message from the President of the United States transmitting Reorganization Plan No. 2 of 1947, prepared in accordance with the provisions of the Reorganization Act of 1945, and providing for permanent transfer to the Department of Labor of the United States Employment Service, which is now in the Department by temporary transfer under authority of title I of the First War Powers Act, and for two other changes in organization to improve the administration of labor functions. H. Doc. 231, 80th Cong., 1st sess. 4 pp.

Department of State Appropriation Bill for 1948: Hearings before the Subcommittee of the Committee on Appropriations of the House of Representatives. 80th Cong., 1st sess. 1076 pp.

State, Justice, Commerce, and the Judiciary Appropriation Bill, Fiscal Year 1948: Report from the Committee on Appropriations, to accompany H.R. 3311. H. Rept. 336, 80th Cong., 1st sess. 48 pp. [Department of State, pp. 4-13, 36-38.]

## New Salesroom Opened

Publications of the Department of State and selected publications of other Government agencies are now being sold in Room 120 at 1778 Pennsylvania Avenue NW., one of the buildings occupied by the Department of State. The salesroom was opened as a convenience to visitors to the Department and to persons in Washington. It is operated by an agent of the Superintendent of Documents. Mail orders for the Department's publications should be addressed as in the past to the Superintendent of Documents, Government Printing Office, Washington 25, D.C.

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# Contributors

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# *The Department of State*

Vol. XVI, No. 412

May 25, 1947

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# *The Department of State* bulletin

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*The Department of State BULLETIN, a weekly publication compiled and edited in the Division of Publications, Office of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes press releases on foreign policy issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.*

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# THE FIRST SPECIAL SESSION OF THE GENERAL ASSEMBLY OF THE UNITED NATIONS

## Procedural Questions With Relation to Agenda<sup>1</sup>

by Sheldon Z. Kaplan  
and  
Betty C. Gough

*The first special session of the General Assembly of the United Nations was convened April 28, 1947, to consider one matter: the constituting and instructing of a Special Committee to prepare for the consideration of the question of Palestine at the second regular session.*

### British Request

On April 2, 1947, Sir Alexander Cadogan, United Kingdom Representative to the United Nations, notified Victor Hoo, Assistant Secretary-General, serving as Acting Secretary-General in the absence of Trygve Lie, that he had received the following message from his Government:

"His Majesty's Government in the United Kingdom request the Secretary-General of the United Nations to place the question of Palestine on the Agenda of the General Assembly at its next regular Annual Session. They will submit to the Assembly an account of their administration of the League of Nations Mandate and will ask the Assembly to make recommendations, under Article 10 of the Charter, concerning the future government of Palestine.

"In making this request, His Majesty's Government draw the attention of the Secretary-General to the desirability of an early settlement in Palestine and to the risk that the General Assembly might not be able to decide upon its recommendations at its next regular Annual Session unless

some preliminary study of the question had previously been made under the auspices of the United Nations. They therefore request the Secretary-General to summon, as soon as possible, a special Session of the General Assembly for the purpose of constituting and instructing a Special Committee to prepare for the consideration, at the regular Session of the Assembly, of the question referred to in the preceding paragraph."<sup>2</sup>

On the same day, the Acting Secretary-General, in accordance with rule 4 of the provisional rules of procedure of the General Assembly,<sup>3</sup> informed the other 54 member governments of the United Kingdom request and inquired whether they concurred in the summoning of a special session for this purpose.<sup>4</sup>

<sup>1</sup> The analysis which follows is based on action which took place through May 1, 1947.

<sup>2</sup> General Assembly doc. A/286, Apr. 3, 1947; BULLETIN of May 4, 1947, p. 795.

<sup>3</sup> The provisional rules of procedure for the General Assembly are found in General Assembly doc. A/71/Rev. 1, Apr. 28, 1947.

<sup>4</sup> United Nations press release GA/89, Apr. 2, 1947.

## Majority Concurrence

With the receipt of the reply from the Government of Turkey on April 13, 1947, the necessary majority of 28 members had concurred in the request of the United Kingdom. In order of receipt of their replies the following 27 members had previously indicated their concurrence: Cuba, France, United States of America, China, Haiti, Honduras, Greece, Liberia, New Zealand, Czechoslovakia, Brazil, Panama, Mexico, Paraguay, Sweden, Union of Soviet Socialist Republics, Denmark, Dominican Republic, Ecuador, Luxembourg, Peru, Ukrainian Soviet Socialist Republic, Australia, India, Norway, Union of South Africa, and Canada.<sup>5</sup>

## Summoning of First Special Session of the General Assembly

In accordance with rules 3 and 8 of the provisional rules of procedure, the Secretary-General on April 13, 1947, summoned the first special session of the General Assembly to convene at Flushing Meadow in New York on April 28, 1947—exactly 15 days after the concurrence of a majority of the members.<sup>6</sup>

## Provisional Agenda and Arab States' Proposal

The provisional agenda as communicated by the Secretary-General to member governments on April 13, 1947, contained only the one substantive item for which the Assembly had been summoned: the constituting and instructing of a special committee to prepare for the consideration of the question of Palestine at the second regular session.<sup>7</sup>

In a telegram to the Secretary-General on April 21, 1947, Mahmoud Hassan, the Egyptian Ambassador to the United States, requested on behalf of his Government the inclusion of the following item on the agenda of the Assembly: the termination of the mandate over Palestine and the declaration of its independence.<sup>8</sup> The Government of Iraq, on April 21, and the Governments of Syria, Lebanon, and Saudi Arabia, on April 22, also requested the inclusion of this item on the agenda, in virtually identical language.<sup>9</sup>

<sup>5</sup> General Assembly doc. A/295, Apr. 25, 1947, p. 2.

<sup>6</sup> *Ibid.*

<sup>7</sup> General Assembly doc. A/293, Apr. 24, 1947.

<sup>8</sup> General Assembly doc. A/287, Apr. 21, 1947.

<sup>9</sup> General Assembly docs. A/288, Apr. 23, 1947; A/289, Apr. 23, 1947; A/290, Apr. 23, 1947; A/291, Apr. 23, 1947.

## Agenda Consideration by the General Assembly

In accordance with rule 33 of the provisional rules of procedure, the General Committee of the Assembly, which consists of the president, seven vice presidents, and the chairmen of the six main committees, considered the provisional agenda and the additional item which was proposed by the Arab States.

## United States Position

At the meeting of the General Committee on April 29, 1947, Herschel V. Johnson, Alternate United States Representative to the first special session of the Assembly, set forth the position of the United States with regard to the agenda as follows:

"It was the understanding of the United States, that this special session of the Assembly had been called to appoint a committee for the purpose of reporting to the next general session of the Assembly, on the subject of the question of Palestine. It will be recalled that the United Kingdom Government, in requesting that this item should be placed on the agenda of the General Assembly at its next regular annual session, engaged itself to submit to the Assembly an account of their administration of the League of Nations Mandate, and to ask the next regular session of the Assembly to make recommendations, under Article 10 of the Charter, concerning the future government of Palestine.

"The United States has, from the beginning, made known its view that no item other than the item originally proposed by the United Kingdom Government should be considered at this session. The reasons for this view are, in the opinion of our delegation, clear and important. The proper approach to the Palestine problem, by the Assembly, requires a preliminary assembly and an analysis of data and formulation of alternative recommendations by a committee, so that the Assembly will have clear-cut proposals before it at the next September session. It seems undesirable to us for Members to embark on the consideration of a variety of topics not relevant to the purpose for which this Assembly was convened.

"My Government, in preparing for this special session, did so with the full realization of the importance of the Palestine problem, not only to the parties most immediately concerned, but to



the whole world. We believe that this may be the last chance for the solving of this problem in a peaceful and fair manner. If this chance is missed, chaos and disorders might well result in Palestine of so serious a nature that that country would be ruined physically and morally.

"We are, furthermore, convinced that if the United Nations is to meet with success in its efforts to solve the Palestine problem, the decision which it makes must be not only fair, but one which has the support of world opinion, and which is thought to be fair.

"It will be extremely difficult, if not impossible, to enforce any decision which does not rally the support of most of the peoples of the world.

"It is also the opinion of my Government that if a decision is to have the support of world opinion, it must clearly have been reached after careful study and consideration in an atmosphere free from pressures on the part of the Great Powers and from intrigues behind the scenes. It is our belief that we can best contribute to the reaching of a fair and enforceable decision by doing our part to maintain proceedings on the highest possible level and to limit the activities of the special Assembly to the setting up of machinery for giving the problem the careful and impartial study which it deserves.

"In making these remarks, I should be unhappy if they were interpreted by anyone seated at this table as a desire to prevent the Members of the Arab States or any other interested people from expressing their full views regarding the solution of this problem at the proper time.

"The proposal made by the representative of Egypt, and likewise by the other Arab States represented here, is one which, in our view, attempts to prejudge this issue. They are asking categorically for an action by this Assembly which may not be the best immediate solution of this question. It may be one of the alternatives recommended by the committee which we hope to set up.

"The United States cannot support the inclusion of this item on the agenda. The United States likewise feels that an untrammelled discussion of the substance of the Palestine problem at this session would not serve the fair solution which we all hope to get in the regular session, when we have full and complete data of our own investigating committee to take into consideration. That committee will, we hope, be so constituted and with

such terms of reference as to give the widest possible scope to the expression of all views of interested parties in this question.

"The next regular session of the General Assembly, moreover, would be in a position, on receiving the report of the committee, to recommend any deficiencies in the procedure of that committee, to give opportunity for any who had not been heard, if they saw fit, or who had been rejected through any error of the committee. No rights are impaired, either legal or moral, in our view, in confining our discussion at this Assembly to the purely procedural object for which we were convoked."<sup>10</sup>

#### **Applicable Rules of Procedure**

The above position was based on broad aspects of policy outlined by Mr. Johnson. The underlying procedural aspects of this position concerned rules 3, 4, 8, 11, 17, and 18 of the provisional rules of procedure, which relate to the summoning of special sessions of the General Assembly:

##### *"Rule 3*

"Special sessions of the General Assembly shall also be held within fifteen days of the receipt by the Secretary-General of a request for such a session either from the Security Council or from a majority of the Members of the United Nations.

##### *"Rule 4*

"Any Member of the United Nations may request the Secretary-General to summon a special session. The Secretary-General shall thereupon inform the other Members of the United Nations of the request and inquire whether they concur in it. If within thirty days of the date of the communication a majority of the Members concur in the request, a special session of the General Assembly shall be summoned in accordance with the provisions of Rule 3."

##### *"Rule 8*

"The Secretary-General shall notify the Members of the United Nations at least fourteen days in advance of the opening of a special session convoked at the request of the Security Council, and

<sup>10</sup> Provisional verbatim minutes of the General Committee of the General Assembly, General Committee doc. A/BUR/P.V. 29, Apr. 29, 1947, pp. 21-30. Only the relevant portions of the statement are quoted.

at least ten days in the case of a request by a majority of the Members.”

#### “Rule 11

“. . . The provisional agenda of a special session, summoned at the request of a majority of the Members, shall be communicated at least ten days before the opening of the session.”

#### “Rule 17

“When a special session is called, the agenda for the session shall be confined to the items communicated by the Secretary-General to the Members of the United Nations, unless the General Assembly, by a two-thirds majority of the Members present and voting, decides to include additional items.

#### “Rule 18

“Any Member of the United Nations may, at least four days before the date fixed for the opening of a special session, request the inclusion of additional items in the agenda. Such items shall be placed on a supplementary list which shall be communicated to the Members of the United Nations as soon as possible.”

#### Action by the General Assembly

The General Committee on April 29, 1947, voted to recommend that the item proposed by the United Kingdom be placed on the agenda of the General Assembly and referred for consideration to the First Committee.<sup>11</sup> This recommendation<sup>12</sup> was adopted by the plenary Assembly on May 1, 1947.

On April 30, 1947, the General Committee decided not to recommend the inclusion of the Arab item on the agenda.<sup>13</sup> Egypt voted to include the item; Canada, China, Ecuador, France, Honduras, Sweden, the United Kingdom, and the United States voted against its inclusion; Brazil, Czechoslovakia, India, Poland, and the Union of Soviet Socialist Republics abstained.

<sup>11</sup> General Committee doc. A/BUR/P.V. 28, Apr. 29, 1947, p. 52.

<sup>12</sup> General Assembly doc. A/29S, May 1, 1947.

<sup>13</sup> General Committee doc. A/BUR/P.V. 31, May 1, 1947, pp. 127-30.

<sup>14</sup> Provisional verbatim minutes of the General Assembly, doc. A/P.V./71, May 1, 1947, pp. 131-132.

The plenary assembly on May 1, 1947, upheld the recommendation of the General Committee. Afghanistan, Argentina, the Byelorussian Soviet Socialist Republic, Cuba, Egypt, India, Iran, Iraq, Lebanon, Saudi Arabia, Syria, Turkey, the Ukrainian Soviet Socialist Republic, the Union of Soviet Socialist Republics, and Yugoslavia voted for the inclusion of the item; Australia, Belgium, Brazil, Canada, Chile, China, Denmark, Ecuador, France, Greece, Honduras, Liberia, the Netherlands, New Zealand, Norway, Panama, Peru, the Philippine Republic, Sweden, the Union of South Africa, the United Kingdom, the United States, Uruguay, and Venezuela voted against inclusion of the Arab item; Bolivia, Colombia, Czechoslovakia, the Dominican Republic, El Salvador, Ethiopia, Guatemala, Haiti, Mexico, and Poland abstained.<sup>14</sup>

#### “Items Communicated”

Upon an examination of the applicable rules of procedure which served as the procedural basis of the United States position, it will be noted that rule 17 provides, in part, that the agenda for a special session is to be “confined to the *items communicated* by the Secretary-General to the Members of the United Nations” (italics supplied). It becomes necessary, therefore, to fall back on the preceding rules governing special sessions for a determination of when and what “items” are communicated by the Secretary-General:

1. The first communication emerges through the operation of rule 4, whereby the question of whether a special session shall be summoned is answered. It is the member’s *request* (and the rules set forth no particular form in which the request must be transmitted) which is communicated, and nothing more, and if a majority of the Members concur this request loses its identity and becomes the request of the majority. This is necessarily so, or else the second clause of the last sentence of rule 4 (“a special session of the General Assembly shall be summoned in accordance with the provisions of Rule 3”, which refers to a request for such a session by a majority of the members) is meaningless.

2. The second communication emerges through the operation of the last sentence of rule 11 (“the provisional agenda of a special session, summoned at the request of a majority of the Members, shall be communicated”).

The first instance of "items" communicated occurs not under number 1 above but when the provisional agenda has been communicated. The purpose of the provisional agenda is to itemize or list in orderly sequence the matter(s) contained in the majority request for a special session.

The phrase *items communicated*, referring to the provisional agenda communicated (rule 11), is not believed to imply that the Secretary-General may, in his discretion, place on the provisional agenda itemization of *other* substantive questions in addition to the question contained in the request of the majority. Nor was the Secretary-General obliged to itemize additional topics requested by one or more members, such as "the termination of the mandate over Palestine and the declaration of its independence", the substantive item requested by the Arab States. A contrary interpretation either would result in placing the request of one member or of a minority of members on an equal footing with a majority request, or would require the Secretary-General to communicate, under rule 4, a series of requests and counterrequests. It is believed that if the draftsmen of the rules of procedure had intended "additional items" to be included on the provisional agenda they would have so stated in rule 11. Additional items are first mentioned in rules 17 and 18, under which they may be placed on a supplementary list and, if a two-thirds majority of the members present and voting so decide, on the agenda.

#### **Background of Rules of Procedure With Regard to Agenda**

This interpretation of the rules is fully supported not only by the deliberations which took place at the first special session but also by the deliberations and report of discussion which took place in the Executive Committee of the Preparatory Commission of the United Nations on this matter in September and October 1945. In the original draft of the General Assembly rules of procedure, section 7 of rule 5 (agenda) stated:

"As a general rule, the agenda of a special session shall be limited to the items occasioning its call."<sup>15</sup>

When this draft was considered in this Committee, various changes were agreed upon. The report of the discussion in the Committee with respect to section 7 (as quoted above) states:

**May 25, 1947**

"It was in principle desirable that the Agenda of a special session should be limited to the special question or questions which had been specially submitted by the member of the United Nations requesting the convoking of such special session. It was, however, very probable that in responding to the summons for a special session, other members would in turn request the inclusion of additional items. The paragraph was therefore redrafted to allow the addition of other items by a two-thirds majority decision of the General Assembly, whilst retaining the principle of restriction."<sup>16</sup>

This decision found its way into the next draft of the rules of the Assembly as follows:

"8. When a special session is called the agenda for the session shall be confined to the items communicated by the Secretary-General to the Members of the United Nations, unless the General Assembly, by a two-thirds majority, decides to include additional items.

"9. Any Member of the United Nations may, at least four days before the date fixed for the opening of a special session, request the inclusion of additional items on the agenda. Such items shall be placed on a supplementary list, which shall be circulated to the Members of the United Nations on arrival for the opening of the session."

#### **Conclusions**

From the above analysis, the following conclusions emerge:

1. The request of a single member that a special session be summoned by the Secretary-General, if concurred in by the majority of the members, becomes the request of the *majority* for a special session.

2. A provisional agenda is an itemization drawn up by the Secretary-General, based upon the matter(s) contained in the majority request. No *additional* itemization can be made by the Secretary-General based upon matters either contained in other requests or which he may feel should be included, with the exception of routine, organizational matters, such as the formal admission of Siam as a member. The factor of "additional

<sup>15</sup> Executive Committee of the Preparatory Commission of the United Nations, doc. PC/EX/A/26, Sept. 25, 1945, p. 4.

<sup>16</sup> *Ibid.*, doc. PC/EX/A/39, Oct. 4, 1945, p. 3.

items" was in the minds of the draftsmen and *first* appears in rule 17, requiring a two-thirds majority vote.

3. The phrase *items communicated by the Secretary-General* in rule 17 with regard to the agenda refers to the provisional agenda in rule 11 and is limited to the items therein contained and hence the matter contained in the request of the majority.

4. "Additional items" can be placed on the agenda only by meeting the two-thirds-majority vote qualification of rule 17.

5. These additional items may be taken either from the supplementary list referred to in rule 18 or from any other source and placed on the agenda, provided "a two-thirds majority of the Members present and voting, decides to include additional items".

The purpose of the rules relating to a special session of the Assembly is to insure that the session will be limited to the matter for which it was called upon request of any member, concurred in by a majority, but that additional substantive items can be considered only upon a two-thirds majority vote.

In evaluating the position which the United States took on the Arab States' request to include an additional substantive item on the agenda ("the termination of the mandate over Palestine and the declaration of its independence"), it is important to consider not only the questions of policy which motivated the stand of the United States but also the applicable rules of procedure of the General Assembly of the United Nations governing special sessions. For it is only within the framework of the machinery of procedural rules that policy can be made effective.

#### **Officers of the First Special Session of the General Assembly and Its Main Committees**

##### *President*

OSWALDO ARANHA (Brazil)

##### *Vice Presidents*

Chief Representatives (or alternates) of—

China (QUO TAI-CHI)

Ecuador (NEFTALI PONCE)

France (ALEXANDRE PARODI)

India (M. ASAF ALI)

Union of Soviet Socialist Republics (ANDREI A. GROMYKO)

United Kingdom (Sir ALEXANDER CADOGAN)

United States of America (WARREN R. AUSTIN)

##### *Chairmen of the Six Main Committees*

1. Political and Security—LESTER B. PEARSON (Canada)
2. Economic and Financial—JAN PAPANEK (Czechoslovakia)
3. Social, Humanitarian and Cultural—MAHMOUD HASSAN (Egypt)
4. Trusteeship—GUSTAF HERMAN ERIKSSON (Sweden)
5. Administrative and Budgetary—JOZEF WINIEWICZ (Poland)
6. Legal—TIBURCIO CARIAS, Jr. (Honduras)

## **Current United Nations Documents: A Selected Bibliography**

There will be listed periodically in the BULLETIN a selection of United Nations documents which may be of interest to readers.

Printed materials may be secured in the United States from the International Documents Service, Columbia University Press, 2960 Broadway, New York City. Other materials (mimeographed or processed documents) may be consulted at certain designated libraries in the United States.

### **Economic and Social Council**

Commission on Human Rights. Sub-Commission on Freedom of Information and of the Press. Consolidated Terms of Reference . . . E/CN.4/Sub.1/2, May 8, 1947. 4 pp. mimeo.

Non-Governmental Organizations, Decisions of the Economic and Social Council of 28 March 1947. E/435, May 7, 1947. 6 pp. mimeo.

### **General Assembly**

Committee on the Progressive Development of International Law and Its Codification. Memorandum Submitted by the Representative of Argentina. A/AC.10/10, May 13, 1947. 3 pp. mimeo.

Committee on the Progressive Development of International Law and Its Codification. Suggestions by the Netherlands Representative With Regard to the Progressive Development of International Law and Its Eventual Codification. A/AC.10/18, May 14, 1947. 4 pp. mimeo.

Outline. The Codification of International Law in the Inter-American System, With Special Reference to the Methods of Codification. A/AC.10/8, May 6, 1947. 31 pp. mimeo.

Statement by the Delegate for the United Kingdom at the Second Meeting of the Committee on Progressive Development and Codification of International Law, 13 May 1947. A/AC.10/17, May 13, 1947. 3 pp. mimeo.

Statement by the Representative of Poland Before the Fourth Meeting of the Committee on Progressive Development and Codification of International Law, 15 May 1947. A/AC.10/19, May 15, 1947. 7 pp. mimeo.

## THE GENERAL CONFERENCE OF UNESCO, PARIS

### The Program in Relation to the United Nations

by *Esther C. Brunauer*

*The role of the United Nations Educational, Scientific and Cultural Organization as a specialized agency of the United Nations influences its program and activities, and some of its basic problems are shared with the United Nations and with other specialized agencies. The article below is the third in a series designed to review the accomplishments of the first meeting of the General Conference of UNESCO and discusses the place of UNESCO in the present pattern of intergovernmental organization.*

The development of UNESCO moved along on the heels of the development of the United Nations, and many of the same people who helped to draft the Charter worked on the text of the UNESCO Constitution. The early draft of a United Nations agency for educational reconstruction, prepared in London in April 1944, was transformed after Dumbarton Oaks into the draft of a constitution of a United Nations organization for education and cultural cooperation. The American proposals for this basic instrument, formulated by an interdivisional working group in the Department of State with the aid of informal consultations outside the Government, were sent to London about the time the United Nations conference convened at San Francisco. The proposals of some 20 governments were studied by the Conference of Allied Ministers of Education in London, and the text which became the basis of the constituent meeting was written shortly after the United Nations Charter was adopted. The London Conference for the Establishment of an Educational, Scientific and Cultural Organization was held in November 1945, during a lull in the meetings of the United Nations Preparatory Commission; the Preparatory Commission of UNESCO got under way at the time of the first

meeting of the General Assembly of the United Nations. The basic agreement contemplated by article 63 of the Charter and article X of the UNESCO Constitution was negotiated in June 1946, and was approved six months later by the General Conference of UNESCO and the General Assembly of the United Nations, almost simultaneously.

The bonds between the United Nations and its Educational, Scientific and Cultural Organization originated in something more than an accident of history. The whole concept of the specialized agencies is based on the conviction that peace cannot be maintained indefinitely by nothing more than procedures for settling international disputes and stopping aggression, essential as they are; the nations of the world must work together for the betterment of human life and must develop such strong ties among their peoples that war will eventually become unthinkable. The role of scholarship, teaching, and art in helping to build a stable international community is now well recognized by the peoples of the United Nations. The attempt of the Axis dictatorships to consolidate their conquests through the perversion of science and the debasement of the power of ideas led to a deeper appreciation of the importance of knowl-

edge and skill based on truth and intellectual and artistic freedom in constructing the defenses of peace.

The creation of UNESCO was accomplished with marked enthusiasm and harmony, and with the conviction on the part of many of its founders that the United Nations system would be seriously incomplete without an agency to link the resources of mind and spirit with the instruments of international power. Or perhaps it would be more accurate to say that they discovered that the resources of the mind and spirit of man constitute one of the greatest instruments of international power. During the San Francisco conference the recognition of the close connection was expressed through a demand, which was readily satisfied, for a specific reference in the Charter to educational and cultural cooperation. The Chinese and French Delegations were conspicuous among the active supporters of this proposal, and American voluntary organizations, reinforced by the passage of the Mundt-Fulbright-Taft resolution in Congress, also played an important part.

After the Charter was adopted and plans for a conference to establish an educational and cultural organization were developed, some governments proposed that the dependence of this specialized agency on the United Nations should be made more obvious by having the Economic and Social Council take the initiative—as was done later in the case of the health and the refugee organizations. However, when it became apparent that this procedure would postpone the establishment of UNESCO by at least a year, the plan of a conference to be held, on the invitation of the British and French Governments and as soon as feasible, was accepted.

The relationship of UNESCO to the United Nations was made manifest throughout the Constitution, and the Preparatory Commission took steps to consolidate the relationship even in the preliminary stages of the organization. A member of the staff was sent to New York to maintain contacts with the Secretariat of the United Nations and from time to time members of the Preparatory Commission were invited to attend meetings of the Economic and Social Council and its commissions as observers. Even before the draft agreement between the United Nations and the United Nations Educational, Scientific and Cultural Organizations was negotiated it was ap-

parent that the points of most frequent contact—and potential friction as well as potential cooperation—were to be in the fields of human rights, social affairs, and public information.

The need for clarification of function and establishment of sound working arrangements, especially in these three areas, arose partly from the fact that the United Nations organs and offices on the one hand and UNESCO on the other were going through the early stages of development. A certain amount of overlapping is also inherent in the nature and purposes of the two organizations. A striking instance is the subject of freedom of information, which neither UNESCO nor the U.N. Human Rights Commission can ignore, although it will require considerable experience to determine the most effective division of labor.

With respect to the general area of social affairs, clarification of substance and operation is necessary. For example, the vagueness of the boundary between child welfare and education complicates both the UNESCO program of educational relief and the United Nations plans for the Children's Emergency Fund. The question of how far the United Nations Secretariat should engage directly in international enterprises affects the ultimate decision as to what UNESCO, along with other specialized agencies, should undertake. This was underlined when the Economic and Social Council considered, at its third session, a resolution for the establishment of international scientific research institutions on the initiative of the United Nations. It was decided to refer the proposal to UNESCO, which was already considering the proposals for coordination and development of research activities in the Hylean Amazon under international auspices. This undertaking, now going forward, differs in detail from the plan put before the Economic and Social Council, but the principle is the same. Moreover, by referring the matter to UNESCO the Council indicated that in general it expects the appropriate specialized agencies to carry on any direct large-scale operations within the scope of their programs and resources.

The negotiating committee on the agreement between the United Nations and UNESCO gave special attention to the necessity of coordinating the activities of the two organizations in the field of public information. Article VII takes note of the function of UNESCO "to collaborate in the work of advancing the mutual knowledge and under-

standing of peoples through all means of mass communication," and provided for a subsidiary agreement to define the method of coordination. This subsidiary agreement has not yet been concluded. However, UNESCO has a liaison officer stationed in the Department of Public Information of the United Nations, and the organization takes part in the Coordinating Committee on Information and the Film Board through which the United Nations and the specialized agencies clear activities.

UNESCO has a more extensive and acute problem in its relations with the U.N. Department of Public Information than do other specialized agencies. Like them, it seeks to inform the public about its own work, but in a broader and deeper sense UNESCO is itself an agency for public information. If this organization is to succeed it must inform the people of all countries about one another; inform all people everywhere about the fundamentals of international peace and security; inform everyone, specialists and laymen, about intellectual and artistic contributions to human welfare; and constantly develop and improve all the means of disseminating information, including formal and informal education, libraries and museums, books, newspapers and periodicals, films, and the radio. Obviously, this is a situation in which misunderstanding, professional jealousy, or inadequate cooperating machinery could seriously hamper both UNESCO and the United Nations. As UNESCO gets to work the problem becomes less theoretical. Detailed decisions require day-by-day adjustments, but looking back over a period of several months one can see that the trend of the decisions is toward clearer definition of UNESCO's paramount tasks in this field. The more energy, wisdom, and efficiency UNESCO can demonstrate through a positive program, the more widely will its position be acknowledged and the less serious will be the danger of jurisdictional disputes and wasteful duplication.

The statement of this proposition, namely, that many difficulties will be solved for UNESCO by a demonstration of energy, wisdom, and efficiency in carrying out a positive program, throws into relief the major problems of obtaining competent personnel and of developing good administrative practices. The organization shares these problems with the rest of the United Nations system, but in some respects they are more acute for UNESCO

than for other agencies. On the one hand, the program of UNESCO is less tangible and by its nature more experimental than the work of most other agencies; on the other, the people whose talents have to be drawn upon are often individualists, unaccustomed to any discipline except that of their own consciences and their sense of professional ethics, and impatient of the details of official responsibility. Yet the people who know how to work in groups, and are methodical and painstaking in administration, frequently lack the creative vision and drive that UNESCO needs. Also, in a new agency, which has to compete strenuously for public attention, there is a demand for men and women whose names and achievements are well known and recognized, and they must come from all parts of the world if the organization is to be truly international. The war, together with the years of struggle before and after, made great inroads into the world's supply of well-trained, able people, especially those trained in the advancement and spread of knowledge, ideas, and the arts. Another factor to be considered is the reluctance of men and women already successful in their chosen fields to give up the relative security of the positions they hold to move into a new international agency which is, and has to be, a pioneering venture.

UNESCO is gradually making progress in building up a good professional team, and consequently in solving its administrative problems. One of the most important elements in this is the devotion and the enthusiasm with which the present staff—most of whom are still on temporary appointments—are working to put into the form of concrete projects the far-reaching program mapped out by the General Conference. In a dynamic peace, no less than in war, the pressure and challenge of great tasks to be accomplished often bring out hidden abilities. In war, however, the pattern of action and standards of accomplishment are well established, whereas large-scale efforts to organize peace and security and promote the well-being of the people are relatively new.

In UNESCO, as in the United Nations, it is difficult to strike a balance between impatience for results and acquiescence in inadequacy and imperfection. The history of governmental institutions in general is instructive, though not entirely

*(Continued on page 1047)*



# THE UNITED NATIONS

## Relations Between UNESCO and World Health Organization

A significant step in reconciling the broad charter of the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the narrower charter of the World Health Organization (WHO) was taken by a joint meeting of Negotiating Committees of the UNESCO Executive Board and of the Interim Commission of WHO at UNESCO House, Paris, April 15-16.<sup>1</sup>

The joint meeting was characterized by a friendly and serious attempt to develop a mode of operation which would further the objectives of both organizations through mutual supportive action, yet with avoidance of duplication. Cer-

tain basic principles governing the relation between UNESCO and WHO were accepted by the committees and, on the basis of these principles, agreement was reached concerning the cooperative aspects of the immediate UNESCO projects touching on the field of health. A second joint meeting of the two committees was set for August 26-27 at Geneva to develop a formal draft agreement for submission to the two organizations.

The report of the joint meeting of the Negotiating Committees is reproduced below since it represents the first agreed statement between UNESCO and WHO.

### REPORT OF THE FIRST JOINT MEETING OF THE NEGOTIATING COMMITTEES OF UNESCO EXECUTIVE BOARD AND THE INTERIM COMMISSION OF THE WORLD HEALTH ORGANISATION<sup>2</sup>

Unesco House, Paris, April 15th-16th, 1947

For the purposes of the present discussions the Negotiating Committees were guided by the provisions of their respective Constitutions and by the following considerations.

1. The Negotiating Committees recognise that certain Specialised Agencies, including the World Health Organisation, must rely upon scientific

research, education and organisation as a basis for much of their work, and that it is appropriate for such Agencies to be primarily responsible for the encouragement of research, education and the organisation of science in the fields most relevant to their constitutional responsibilities. It was accepted that Unesco's principal initiative would therefore be in fields not covered by the Constitutions of other Specialised Agencies.

2. It was also agreed that the lines of demarcation that are convenient for administrative purposes should not be allowed to check the growth of free enquiry or to cause the neglect of borderline problems, and Unesco is concerned in general with the relation between the pure and applied sciences in all fields. There will always be areas of common interest in which Unesco and

<sup>1</sup> The organizations were represented by the following negotiating committees:

*UNESCO Executive Board:* Edward Ronald Walker (Australia), Chairman; H. R. Kruyt (Netherlands); Manuel Martinez-Bacz (Mexico); Paulo Carneiro (Brazil).

*WHO Interim Commission:* H. van Zile Hyde (United States), Chairman; A. Cavaillon (France); H. Geraldo de Paula Souza (Brazil); Melville MacKenzie (United Kingdom).

<sup>2</sup> UNESCO/O.M.S./3/1947. Paris, Apr. 16, 1947.

the World Health Organisation will wish to co-operate and to coordinate their action, including the sciences basic to health.

### *Arrangements for Cooperation*

The Negotiating Committees are in agreement that every effort should be made for full cooperation at all levels, namely the organisational, the expert and the secretariat levels, in regard to fields of common interest.

Until permanent machinery is established for this purpose, the two Negotiating Committees will meet as often as may be necessary to consider specific problems as they arise and to develop a draft formal agreement for submission to the two Organisations.

Meanwhile the respective secretariats will keep each other fully informed concerning programmes and projected activities in which there is mutual interest and will submit to the Negotiating Committees, for joint consideration, any matters regarding which there may be doubt as to the appropriate action and division of responsibility.

The Negotiating Committees agree that it should be the regular practice of each organisation to invite the other to be represented, at the appropriate level, on any of its Committees or panels of experts dealing with matters of common interest as determined by the Negotiating Committees.

It was agreed that the Secretariats of the two organisations should proceed with the preparation of a draft formal agreement (having regard to the considerations set out in this paper) for the consideration of the Negotiating Committees at their next joint meeting.

The Negotiating Committees considered jointly certain projects of Unesco in which early action is planned and reached the following decisions:

(i) With regard to coordination of non-governmental organisations, in the field of health, it was agreed that Unesco should refrain from any further action and that in implementation of the General Conference's resolution to "endeavour to stimulate the setting up of international advisory councils in the fields of engineering, medical and agricultural sciences", Unesco would convey to the Interim Commission the terms of that resolution, and would consider that its mandate has thereby been fulfilled so far as it applies to medical science;

(ii) With regard to the proposal that international scientific laboratories be established under the aegis of the United Nations, the Unesco Committee informed the Committee of the Interim Commission that Document Unesco/Nat.Sci/24/1947 (copies of which had already been forwarded to the Executive Secretary of the Interim Commission) had been prepared at the request of the Economic and Social Council and was now before the Council for its consideration. The W.H.O. Negotiating Committee felt that further consideration of the document by the Interim Commission would be necessary before it could be usefully discussed in joint session.

(iii) In connection with Unesco's plans to improve scientific documentation and abstracting it was agreed that the Interim Commission should be invited to arrange for appropriate representation on any committee or at other discussions on this matter. The Interim Commission's Negotiating Committee called attention to the statutory responsibilities of the Interim Commission and W.H.O. in regard to publications (including abstracts) in the field of health;

(iv) In relation to fellowships, both Committees recognised the need for coordination of programmes and received a verbal report of preliminary discussions already held under the auspices of the United Nations. It was agreed that the Secretariats would exchange information regarding the programmes and proposed programmes of the two organisations, and consult with a view to their coordination; and any problems and differences of opinion resulting therefrom will be referred to the Negotiating Committees.

(v) It was agreed that the Interim Commission will place at the disposal of Unesco any information it may have available which will assist Unesco in carrying out its programme of reconstruction of devastated laboratories and that Unesco will keep the Interim Commission informed of the progress of this programme.

(vi) With regard to Unesco Field Science Cooperation Offices, it was agreed that any matters regarding health which come to the attention of such offices will be referred to the Interim Commission, directly or at such levels as may be determined by the Interim Commission. It was considered that it might become desirable at a later date for W.H.O. liaison officers to be attached to Unesco Field Science Offices. It was agreed

that Unesco will consult with the Interim Commission in developing its plans for Field Science Offices and that the Interim Commission will keep Unesco informed concerning the field organization of the Interim Commission and the planning in regard to the regional structure of the W.H.O.

(vii) It was agreed that the Unesco Secretariat would discuss with the Secretariat of the Interim Commission the question of health education as part of fundamental and academic education with a view to subsequent consideration by the Negotiating Committees of further collaboration in this field.

(viii) Hylean Amazon Basin project. It was recognised that in view of the urgent problems with which the Interim Commission is faced and the limits of its authority, it would probably not be able at this time to take an active role in this project. The Unesco Committee explained that a small mission is proceeding to Brazil to assist in preparing an inter-governmental Conference which will consider plans for this project; and the Unesco mission has already been instructed to consult with the Director of the Pan-American Sanitary Bureau. It was agreed that Unesco would invite the Interim Commission of the W.H.O. to be represented at the contemplated Conference, and that Unesco would meanwhile keep the Interim Commission informed of the progress of this project.

(ix) Nutritional Science Proposals. The Unesco Committee explained that the General Conference, at the instance of certain delegations, had approved the establishment of Nutritional Science and Food Technology Field Teams in various countries. The Executive Board recognised that any action in this field would be the primary responsibility of the W.H.O. and F.A.O. It was agreed that Unesco should refer the General Conference proposal to the Interim Commission and the F.A.O. for consideration by their joint Committee, with the suggestion that Unesco be invited to be represented at the committee when this matter is under consideration.

In regard to other matters of common interest in which Unesco does not contemplate early action (including "Mass media and Medical Science" and Sociological Aspect of Medicine), it was agreed that the Unesco Committee would furnish the Interim Commission Committee with explanatory memoranda as a basis for future discussion.

On the invitation of the Interim Commission Committee it was agreed to hold the next joint session of the Negotiating Committees in Geneva, on the 26th and 27th August.

## **Resolution Establishing Special Committee on Palestine<sup>1</sup>**

WHEREAS the General Assembly of the United Nations has been called into special session for the purpose of constituting and instructing a Special Committee to prepare for the consideration at the next regular session of the Assembly a report on the question of Palestine,

The General Assembly

*Resolves that:*

1. A Special Committee be created for the above-mentioned purpose consisting of the representatives of Australia, Canada, Czechoslovakia, Guatemala, India, Iran, Netherlands, Peru, Sweden, Uruguay and Yugoslavia;
2. The Special Committee shall have the widest powers to ascertain and record facts, and to investigate all questions and issues relevant to the problem of Palestine;
3. The Special Committee shall determine its own procedure;
4. The Special Committee shall conduct investigations in Palestine and wherever it may deem useful, receive and examine written or oral testimony, whichever it may consider appropriate in each case, from the mandatory Power, from representatives of the population of Palestine, from Governments and from such organizations and individuals as it may deem necessary;
5. The Special Committee shall give most careful consideration to the religious interests in Palestine of Islam, Judaism and Christianity;
6. The Special Committee shall prepare a re-

<sup>1</sup> Adopted by a vote of 45 in favor, 7 against, and 1 abstention at the 79th meeting of the General Assembly, first special session, on May 15, 1947. The resolution was submitted by Committee I, Political and Security Committee, on May 13. The text of the resolution is contained in General Assembly doc. A/307 of May 13, 1947, pp. 8-9.

port to the General Assembly and shall submit such proposals as it may consider appropriate for the solution of the problem of Palestine;

7. The Special Committee's report shall be communicated to the Secretary-General not later than 1 September 1947, in order that it may be circulated to the Members of the United Nations in time for consideration by the Second Regular Session of the General Assembly;

The General Assembly

8. REQUESTS the Secretary-General to enter

into suitable arrangements with the proper authorities of any state in whose territory the Commission may wish to sit or to travel, to provide necessary facilities, and to assign appropriate staff to the Commission;

9. AUTHORIZES the Secretary-General to reimburse travel and subsistence expenses of a representative and an alternate representative from each government represented on the Commission on such basis and in such form as he may determine most appropriate in the circumstances.

## Meeting of International Civil Aviation Organization<sup>1</sup>

### ACTIONS TAKEN BY COMMISSION ON DRAFT AGREEMENT WITH U.N. AND ON DEBARMENT OF SPAIN<sup>2</sup>

Action looking toward debarment of Franco Spain from the International Civil Aviation Organization was initiated on the morning of May 8 at a Commission session of the first ICAO assembly meeting in Montreal.

The United States introduced and the United Kingdom seconded a motion to ratify the draft agreement with the United Nations, accept the condition of that agreement requiring debarment of Spain, and to amend the convention governing ICAO so as to make possible debarment of Spain. Pending coming into force of that amendment through ratification by member states, the resolution also would declare the wish of the assembly that the present Government of Spain should not participate in the assembly or other ICAO activities.

The debate in the Commission found Portugal, Argentina, the Union of South Africa, and Ireland joining Spain in opposition to expulsion. The U.S.-U.K. motion was supported by China, France, Czechoslovakia, and Canada.

Additional discussion was scheduled for the afternoon, with an early vote expected since the Commission is under instructions to report a proposal promptly to a plenary session of the assembly.

Opposition to the motion stressed the belief that ICAO was a technical organization which would

lose its effectiveness if subjected to political considerations.

Backers of the resolution declared that affiliation with the United Nations was more important to the organization than the loss of Spain and that the same nations which voted against Spain at the United Nations could not logically take a different position at ICAO.

The Commission of the International Civil Aviation Organization's first assembly meeting in the afternoon of May 8 voted to accept the draft agreement with the United Nations, along with the United Nations' Assembly resolution stipulating debarment of Franco Spain as a condition of the relationship. The Commission action will be presented to a plenary session of the assembly for final action, together with a proposed amendment to the convention of the organization setting up machinery for debarment and re-admission.<sup>3</sup>

The Commission, on May 8, was considering the amendment to the convention on debarment. It had before it a Canadian proposal to permit re-admission to the organization by a majority instead of a two-thirds vote.

<sup>1</sup> In session in Montreal since May 6, 1947.

<sup>2</sup> U.N. press releases ICAO/7 and ICAO/8 of May 8, 1947.

<sup>3</sup> On May 13 ICAO voted 27 to 3 for debarment of Spain from participation in the organization.

## Meeting of Committee on Progressive Development of International Law and Its Codification

STATEMENT BY PHILIP C. JESSUP<sup>1</sup>

The United States attaches the greatest importance to the progressive development of international law and its codification. One hundred and sixty years ago the framers of the Constitution of the United States recognized the importance of providing for the clarification of rules of international law and for their enforcement. They accordingly included in the Constitution a provision which gives to the Congress the power "to define and punish offenses against the law of nations". In numerous decisions rendered throughout the history of this country, the Supreme Court of the United States and other courts have frequently reiterated the view that "international law is part of our law". The Executive branch of our Government has similarly on innumerable occasions indicated its undeviating respect for international law and its belief in the need for its continuous application and development. In 1937 Secretary of State Cordell Hull, in outlining the fundamental bases of American foreign policy, declared, "We stand for revitalizing and strengthening of international law." In 1943 the late President Roosevelt, in a letter addressed to the American Society of International Law, remarked:

"Men on the battlefields are dying that civilization may be saved and that law by which we have learned to govern our conduct toward our neighbor, and not force, shall prevail. The body of law under which our civilization must advance must be a steadily growing one, tempered by past experience but capable of fulfilling the needs of a rapidly changing world. The world must have such law for its dependence. It cannot permit a recurrence of the present reign of lawlessness."

<sup>1</sup> Made on May 13, 1947, at Lake Success at the second meeting of the Committee on the Progressive Development of International Law and Its Codification and released to the press by the U.S. Mission on that date. Mr. Jessup is the U.S. Representative on that Committee. Also contained in General Assembly doc. A/AC.10/11, May 13, 1947.

On October 23, 1946, President Truman, in referring to the development of the work of the United Nations, pointed out that "we cannot succeed without setting fundamental precedents in the law of nations." In an address two weeks ago, Ambassador Austin outlined an eight-point program which the United States must pursue to achieve collective security through the United Nations. One of those points reads as follows:

"We must lend our full support to the development and application of international law, particularly the laws against war which for the first time have been enforced against individuals by the Nürnberg and Far Eastern Tribunals."

The United States joined with China in putting upon the agenda of the second part of the first session of the General Assembly the item which led to the adoption of the resolution creating this Committee which is now beginning its work. The United States called attention to the fact that article 13, paragraph 1, subparagraph (a), of the Charter places upon the General Assembly the duty of "encouraging the progressive development of international law and its codification". The General Assembly has taken the first step by creating this Committee and by entrusting to it the task of studying and reporting on the methods and procedures by which this vital duty may be discharged. The United States also had the privilege of placing upon the agenda of the General Assembly the item which led to the adoption of a further resolution which entrusts to this Committee the task of making plans "for the formulation, in the context of a general codification of offenses against the peace and security of mankind, or of an international criminal code, of the principles recognized in the charter of the Nürnberg Tribunal and in the judgment of the Tribunal". We are instructed to treat this "as a matter of primary importance." The United States also had the honor of joining with the Delegations of Panama, El

Salvador, and Poland in proposing that the draft declaration on the rights and duties of states should be referred to this Committee.

It is thus clear that the United States not only attaches the highest importance to the work upon which this Committee is engaged, but also that it is prepared to move forward as rapidly and as effectively as possible to the end that all relations among states shall be subjected to the rule of law.

The task is by no means an easy one. The governments of the world have had abundant experience with the problem of developing and codifying international law. It is unnecessary for me to review the steps in that experience; they have been admirably summarized for our convenience in the documents which the Secretariat has prepared under the able direction of our Secretary, Dr. Yuen-li Liang. Perhaps the chief lesson to be learned from a study of this experience, which extends over the course of a century, is that the development of law is necessarily a slow and deliberate process. We cannot overlook the fact that the peoples of the world look anxiously upon our deliberations in the hope that law and the processes of law will be fully substituted for the use of force in international relations. We must not disappoint their expectations, but it must be recognized that no complete code of international law can spring full-panoplied from the brows of any group established by the United Nations, or by any organization of any character. One has only to reflect upon the slow and deliberate steps which have marked the development and codification of law within the various states of the world. While we must therefore avoid raising exaggerated hopes, we must at the same time make recommendations which will demonstrate that this task is no side issue but one of central importance in the whole program of the United Nations.

The difficulties and necessities of the situation are fully recognized in the resolution of the General Assembly establishing this Committee when it refers to the "eventual codification" of international law and when it stresses first the progressive development of that law. The United States shares the view that it is to the progressive development of the law of nations that we must look for the greatest contribution. At the same time it is impossible to ignore the fact that the practice of states over a very long period of years has created

a body of customary international law which has frequently been applied by both national and international tribunals and which has governed the conduct of states in their mutual relations. Like all customary law, this body of legal principles cannot always be easily stated with precision. The record of the precedents and practices which are the stuff of which it is made are scattered in numerous state papers and government documents and in the works of jurists who have devoted their lives to their examination and analysis. It is a painstaking and exacting task requiring the efforts of the most skilful and impartial scholars to reflect accurately this customary practice of states. The United Nations can here be of assistance in stimulating the publication, by governments and by private initiative, of digests or other compilations revealing such practice.

International law, however, is not static. Since it is a reflection of international relations which are constantly changing and developing with the passage of the years, no customary law can develop with the rapidity of the march of human events. It is for this reason that, within states, legislation is constantly necessary to meet the problems of the day. We do not have in our international society a legislature with power to pass laws with the same facility which characterizes the operations of national legislatures. States in the international society move through a more cumbersome process of adopting treaties in which they lay down agreed rules for future conduct.

The task of this Committee thus embraces the dual function of planning for the ascertainment and reflection of the existing customary law, and of devising the most appropriate procedures for the development of new law to meet the world's needs. These two aspects of the task must always be kept distinct in our discussions because it is our mandate to study and to report on methods and procedures, and such methods and procedures vary according to whether one or the other aspect of our work is involved.

The United States has ventured to lay before the Committee a paper embodying in brief outline certain suggestions relative to that part of our task which is envisaged by item 3(a) of the provisional agenda. These suggestions are not advanced in any dogmatic spirit but solely as a possible aid in our discussions. The United States does wish,

however, to emphasize the points stated in paragraphs 2 and 3 of the paper to which I have referred. These paragraphs read as follows:

"2. The basic consideration in the choice of these methods should be the recognition of the prime importance of the task of encouraging the progressive development of international law and its codification.

"3. The first step which should be taken to achieve this end is the creation of an effective instrument for the continuation of the work."

We are also convinced that in the development of these two basic considerations, it will be necessary to secure the full-time services of the most highly skilled and competent individuals, as indicated in the fourth paragraph of our suggestions. There are no doubt aspects of the work of progressively developing and codifying international law which require direct consideration and treatment by representatives of governments acting in responsible official capacities. Nevertheless, there are other aspects of the work in regard to which highly technical, scientific, legal assistance is absolutely essential if the task is to be satisfactorily carried on. In suggesting a term of three years for which the members of a United Nations Commission of Experts on International Law might be chosen, the United States is far from suggesting that this term is sufficient for the completion of the task or of any substantial part of it. The emphasis is rather laid upon flexibility and upon the constant need for reconsideration of plans in the light of experience.

The suggestions of the United States in paragraphs 5 and 6 are directed toward the solution of the problem of the most appropriate method for insuring the selection of these experts.

Paragraph 8 of the suggestions which we have laid before you is designed to stress the point that in all stages of the work it is most desirable to provide for the fullest cooperation of all persons and groups competent to render aid. The procedures adopted must at each step provide sufficient time to allow for the most careful study and formulation of views. Under other items of the agenda it will be appropriate to consider the ways in which the fullest cooperation of other groups, and particularly of all organs of the United Nations, may be assured.

Paragraph 8 and paragraph 9 of the suggestions also recognize the important consideration that all of this work must head up in the General Assembly, although it is recognized that the action of the General Assembly may take a variety of forms. In some instances it may prove desirable that a scientific statement by experts should merely be published in order that it may command that attention and respect which is inherent in the quality of the product and in the authority of the individuals who have been engaged in its formulation. In other instances the General Assembly may desire to place its stamp of approval upon such work by the adoption of a resolution. In still other cases the nature of the subject matter and of the report may indicate the advantage of drafting a convention which would be submitted to governments for ratification.

The concluding paragraphs of the suggestions recognize the need for continuing utilization of the expert services of the Secretariat and of other experts. It suggests that experience indicates the utility of preliminary work by a small group of specialists which can advise a rapporteur on the formulation of a preliminary draft. It takes into account also the lesson of experience which points to the utility of the conference method in connection with the development of rules, especially on certain types of subjects.

It has not seemed necessary in formulating these suggestions in bare outline, to dwell upon the important role which has been and will be played by international and by national tribunals in the progressive development of international law. The lawyer trained in the system of the common law takes for granted such jurisprudential development. The Permanent Court of International Justice developed a model system of documentation, and the International Court of Justice will no doubt continue this high standard. Other judicial decisions are less conveniently accessible, and this Committee may well consider methods for the improvement of this situation. It is not unreasonable to hope that in the future the jurisprudence of international law may be consulted as readily as one can now consult the great accumulation of modern multipartite treaty materials which will continue to be registered and published by the United Nations.



It seems unnecessary at this time to expound in greater detail the proposals which are thus briefly laid before you. No doubt there will be opportunity as our work progresses for the discussion of such details, and the United States will be prepared to offer additional suggestions from time to time.

It would be a grave error, in my opinion, for the Committee to approach its task with any narrow definition of the problem with which it is called upon to deal. The proposals relative to the rights and duties of states which were laid before the General Assembly by the distinguished Representative of Panama and which have in turn been referred to this Committee for consideration of appropriate procedures and methods, suggest an approach to the statement of certain fundamental principles. Our work includes also plans for the humble and humdrum elaboration of law which will govern many of the highly practical but unspectacular aspects of international relations. The history of the development of international law shows the practical utility of the formulation and adoption of uniform rules governing such practical matters as uniform bills of lading, the unification of rules relating to maritime liens and mortgages, and a great variety of technical questions. This part of the international development of law happily has become almost routine, but it

cannot for that reason be ignored, and the recommendations which we make to the General Assembly should be directed to the improvement of the international procedures by which this development will continue to take place. At the other extreme, there lies the vastly important and difficult problem of substituting legal rules and legal processes for the lawless use of force in settling controversies between nations.

No human society is free from conflict; the triumph of human civilization is the gradual substitution of law and order for the savage violence of primitive man in the resolution of those inevitable conflicts. It is to the United Nations that the peoples of the world now look for release from the scourge of war through the establishment of the rule of law. It is our privilege and our heavy responsibility as members of this Committee on the Progressive Development of International Law and Its Codification to suggest the way in which these aspirations of the peoples of the world may be satisfied. To many of those who long anxiously for peace and security, progress will seem to move with discouraging delay. We cannot hold out false hopes by suggesting that the process is not slow, but we may suggest in the words of a great American statesman, Elihu Root, that it is "slow as measured by our lives, perhaps, but not slow as measured by the lives of nations".

### SUGGESTIONS BY THE UNITED STATES<sup>1</sup>

1. Item 3 (a) of the provisional agenda is as follows:

"Study of the methods by which the General Assembly should encourage the progressive development of international law and its eventual codification."

2. The basic consideration in the choice of these methods should be the recognition of the prime importance of the task of encouraging the progressive development of international law and its codification.

3. The first step which should be taken to achieve this end is the creation of an effective instrument for the continuation of the work.

4. The continuation of the work should be entrusted primarily to a United Nations commission of experts on international law. Such a commission should be established by the General Assembly for a period of three years at the end of which time the situation should be re-examined with a view to determining whether the Commission should be continued on a permanent basis or whether some new form of organization should be provided by the General Assembly in the light of experience. Consideration may also be given to

<sup>1</sup> Released to the press by the U.S. Mission on May 13, 1947. Also contained in General Assembly doc. A/AC.10/14, May 12, 1947.

the continuation by the General Assembly of the present Committee on the Progressive Development of International Law and its Codification or of a similar committee of government representatives which could serve as a general programming and policy group to assist the commission of experts.

5. The commission of experts should be composed of persons of outstanding competence in the field of international law. The commission should be so established and so constituted as to create a body of great prestige consonant with the importance of the task which is to be entrusted to it. With this end in view, the term of office of members of the commission and their compensation should be such as to attract persons of the highest prominence and attainments. A term of three years would seem to be appropriate.

6. In order to insure the selection of the most competent experts, they should be elected by the General Assembly and the Security Council through a procedure comparable to that now provided for the election of judges of the International Court of Justice. Consideration may be given to the question whether the nominations should be made by a procedure comparable to that prescribed in articles 5 and 6 of the Statute of the Court or directly by governments.

7. The task of the commission should be envisaged as falling into two distinct parts: first, the progressive development of international law and second, its codification. These two parts should be understood as contemplating, first, the preparation of drafts upon such subjects as may be referred to the commission by the General Assembly, or upon such other subjects as the commission might determine to be in need of this type of treatment; and second, the scientific restatement of existing rules and principles of international law.

8. The procedures to be utilized by the commission should envisage a series of stages:

(a) The determination by the commission of the project upon which work is to be undertaken.

(b) Cooperation with such other expert groups, whether governmental or non-governmental, as might be found appropriate in each instance with a view to enlisting universal support and assistance in the development of each project.

(c) The elaboration of a draft text prepared by the commission in the light of such suggestions as might be received through the cooperation indicated in the preceding paragraph.

(d) The submission of the draft through the Secretary-General to the governments of all members of the United Nations with a view to the transmission of comments and suggestions for the elaboration of which adequate time should be provided.

(e) Reconsideration of the draft text by the commission in the light of the observations of the governments.

(f) Transmission of the revised text to the General Assembly with recommendations for action thereon either by resolution of the General Assembly; by the adoption of a convention to be submitted to governments for ratification; or by simple authorization of the publication of the report.

9. The General Assembly might, at its discretion, refer a report of the commission to its Sixth Committee for recommendations. It might also, in the interest of facilitating more deliberate study than would be possible during its session, provide for previous examination of a report of the commission by a small group, composed of representatives of governments, which might be considered as in the nature of a special subcommittee of the Sixth Committee.

10. In all stages of its work, the commission should be able to draw upon the expert services of the Secretariat. It should moreover be authorized to enlist the assistance of individual experts of special competence in particular topics under consideration. It should be envisaged that in most cases the commission would provide for preliminary investigation and drafting by rapporteurs assisted by a small committee composed of members of the commission or of other persons selected by the commission or of both. There may also be many instances in which it will be found advantageous to prepare conventions, especially on subjects of a technical nature, through international conferences convoked for that purpose by an organ of the United Nations, by a specialized agency, or by a government. The commission should be prepared to render expert assistance in the preparation and work of such conferences.

## Meeting of the Economic Commission for Europe <sup>1</sup>

### DISCUSSION ON EUROPEAN CENTRAL INLAND TRANSPORT ORGANIZATION, THE EMERGENCY ECONOMIC COMMITTEE FOR EUROPE, AND THE EMERGENCY COAL ORGANIZATION <sup>2</sup>

After the conclusion of general statements by the delegations, the Economic Commission for Europe (ECE) on May 7 entered into the second stage of its session. Winding up the first stage, the chairman announced that the secretariat had been instructed to prepare an analysis of all statements after requesting further clarifications from the delegations so that the next session of the Economic Commission for Europe, after determining whether all suggestions from the delegations are within the terms of reference, may easier map out the future work according to the desires of the delegations.

Since May 6 the Economic Commission for Europe has been considering the question of the termination, absorption, or reorganization of the European Central Inland Transport Organization (ECITO), the Emergency Economic Committee for Europe, and the Emergency Coal Organization (ECO).

On the European Central Inland Transport Organization, the Commission heard ECITO Representative Zielinski stress the need to continue the ECITO activities for a transition period until the conclusion of a new arrangement with the Economic Commission for Europe, and to express concern of the non-payment of contributions in arrears by Czechoslovakia, Netherlands, Poland, Union of Soviet Socialist Republics, and Yugoslavia, which was the subject of a cable by ECITO to the Secretary-General. The Secretary-General's reply is that until the United Nations, through ECE, concludes an agreement with ECITO, the United Nations cannot take action, and it is up to the members of ECITO to meet the situation. The Commission then considered a tentative draft resolution prepared by the secretariat convening a meeting of transport experts to recommend to ECE functions and organizational arrangements for the absorption or termination of ECITO. France and the Soviet Union submitted amendments, and a protracted discussion followed.

On the ECE and the Emergency Economic Committee for Europe (EECE), the Commission set up two subcommittees, each composed of one representative of each delegation; first, to consult with participating representatives of member governments of ECO or EECE with a view to prompt termination of the latter organization; secondly, to consider which of the present activities of ECO or EECE it is essential to continue after the termination of EECE and the manner in which those continuing activities should be performed; thirdly, to submit a report for consideration by the Commission at the present session on the result of the above consultations and deliberations.

ECE decided that the transport experts are to meet in Geneva on May 27.

In a private morning meeting on May 10 the heads of the delegations heard a statement from the executive secretary on the organization of the secretariat of the Economic Commission for Europe. There was general agreement that the Commission should endeavor to reach a positive decision before the close of this session on the major points which the Emergency Coal Organization (ECO) had referred to it for urgent consideration.

An afternoon public meeting of the Committee on the ECO unanimously adopted a draft resolution prepared on May 9 by the drafting subcommittee, recommending, first, that the ECO continue until the transfer of its function to the Economic Commission for Europe (ECE), which is to be not later than the end of 1947; secondly, that the executive secretary of the ECE take the views of member governments, the chairman of the ECO, and such experts deemed necessary, to prepare for the second session concrete proposals regarding the structure of the future coal body of the ECE.

<sup>1</sup> In session in Geneva since May 2, 1947.

<sup>2</sup> U.N. press releases EC/146 of May 8 and EC/147 of May 10.

# INTERNATIONAL ORGANIZATIONS AND CONFERENCES

## *Calendar of Meetings*<sup>1</sup>

<b>In Session as of May 18, 1947</b>		
		<b>1946</b>
Far Eastern Commission . . . . .	Washington . . . . .	Feb. 26
United Nations:		
Security Council . . . . .	Lake Success . . . . .	Mar. 25
Military Staff Committee . . . . .	Lake Success . . . . .	Mar. 25
Commission on Atomic Energy . . . . .	Lake Success . . . . .	June 14
		<b>1947</b>
Commission on Conventional Armaments . . . . .	Lake Success . . . . .	Mar. 24
Committee on Progressive Development and Codification of International Law.	Lake Success . . . . .	May 12
German External Property Negotiations (Safehaven):		<b>1946</b>
With Portugal . . . . .	Lisbon . . . . .	Sept. 3
With Spain . . . . .	Madrid . . . . .	Nov. 12
Inter-Allied Trade Board for Japan . . . . .	Washington . . . . .	Oct. 24
		<b>1947</b>
International Conference on Trade and Employment: Second Meeting of Preparatory Committee.	Geneva . . . . .	Apr. 10
ICAO (International Civil Aviation Organization): First Meeting of General Assembly.	Montreal . . . . .	May 6
ILO (International Labor Organization): Industrial Committee on Inland Transport.	Geneva . . . . .	May 7-17
Congress of the Universal Postal Union . . . . .	Paris . . . . .	May 7
CITEJA (International Technical Committee of Aerial Legal Experts): 16th Session.	Montreal . . . . .	May 10
Council of Foreign Ministers: Commission To Examine Disagreed Questions of the Austrian Treaty.	Vienna . . . . .	May 12
FAO (Food and Agriculture Organization): Rice Study Group . . .	Trivandrum, Travancore, India.	May 15
International Radio Conference . . . . .	Atlantic City . . . . .	May 15
PMCC (Provisional Maritime Consultative Council) . . . . .	Paris . . . . .	May 16

<sup>1</sup> Prepared in the Division of International Conferences, Department of State.

*Calendar of Meetings—Continued*

**Scheduled for May–July 1947**

United Nations:

ECOSOC (Economic and Social Council):

		1947
Fiscal Commission . . . . .	Lake Success . . . . .	May 19
Subcommission on Freedom of Information and of the Press . .	Lake Success . . . . .	May 19
Subcommission on Statistical Sampling . . . . .	Lake Success . . . . .	June 2
Economic and Employment Commission . . . . .	Lake Success . . . . .	June 2
Human Rights Drafting Committee . . . . .	Lake Success . . . . .	June 9
Fifth Session . . . . .	Lake Success . . . . .	July 19

Economic Commission for Asia and the Far East:

First Session . . . . .	Shanghai . . . . .	June 16
Committee of the Whole . . . . .	Lake Success . . . . .	June 23 <sup>2</sup>
Preparatory Conference of Experts on Telecommunications . .	Lake Success . . . . .	June 16

Economic Commission for Europe:

Second Session . . . . .	Geneva . . . . .	June 23
Transport Session . . . . .	Geneva . . . . .	May 27

German External Property Negotiations With Turkey (Safehaven) .	Ankara . . . . .	May
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FAO (Food and Agriculture Organization):

Subcommittee on Plant and Animal Stocks . . . . .	Washington . . . . .	May 26–30
Executive Committee . . . . .	Washington . . . . .	June 2
Panel on Soil Erosion Control . . . . .	Washington . . . . .	June or July

IEFC (International Emergency Food Council): Fourth Meeting . .	Washington . . . . .	May 26–27
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Eleventh International Congress of Military Medicine and Pharmacy.	Basel . . . . .	June 2–7
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ECITO (European Central Inland Transport Organization): Seventh Session of the Council (Second Part).	Paris . . . . .	June 3
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International Cotton Advisory Committee: Sixth Meeting . . . . .	Washington . . . . .	June 9
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ILO (International Labor Organization):

102d Session of Governing Body . . . . .	Geneva . . . . .	June 13–17
30th Session of International Labor Conference . . . . .	Geneva . . . . .	June 19
Permanent Agricultural Committee . . . . .	Geneva . . . . .	July

ICAO (International Civil Aviation Organization):

South American Regional Air Navigation Meeting . . . . .	Lima . . . . .	June 17
South Atlantic Regional Air Navigation Meeting . . . . .	Rio de Janeiro . . . . .	July 15

Caribbean Commission: Fourth Meeting . . . . .	Jamaica . . . . .	June 23–30
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IARA (Inter-Allied Reparation Agency): Meeting on Conflicting Custodial Claims.	Brussels . . . . .	June
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UNRRA Council: Seventh Session . . . . .	Washington . . . . .	June
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International Sugar Council . . . . .	London . . . . .	June or July
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International Telecommunications Plenipotentiary Conference . .	Atlantic City . . . . .	July 1
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International Council of Scientific Unions: Executive Committee . .	Paris . . . . .	July 1–2
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International Rubber Study Group . . . . .	Paris . . . . .	July 1
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Fourth International Congress of Administrative Sciences . . . . .	Bern . . . . .	July 20–27
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UNESCO Executive Board . . . . .	Paris . . . . .	July
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<sup>2</sup> Tentative.

# **U.S. DELEGATION TO INTERNATIONAL RADIO CONFERENCE**

[Released to the press May 14]

The Secretary of State announced on May 14 that the President has approved the composition of the United States Delegation to the International Radio Conference, which is scheduled to be held at Atlantic City, N. J., beginning on May 15. The nominations were submitted by the Secretary of State upon the recommendation of interested departments and agencies of this Government.

The International Radio Conference is the first of a series of three international telecommunications conferences sponsored by the International Telecommunication Union, with headquarters at Bern, of which the United States Government is a member. The International Telecommunications Plenipotentiary Conference will convene at Atlantic City on July 1, and the International High-Frequency Broadcasting Conference will meet immediately after the close of the International Radio Conference.

The convention of the International Telecommunication Union, adopted at Madrid in 1932,<sup>1</sup> and its appended regulations, adopted at Cairo in 1938,<sup>2</sup> govern the world-wide operation of telecommunications. At the Five Power Preliminary Telecommunications Conference, held at Moscow in September 1946, the representatives of China, France, the United Kingdom, the Union of Soviet Socialist Republics, and the United States agreed that the existing telecommunications convention and regulations required urgent revision, and to this end these conferences are being convened. The objective of the International Radio Conference will be a complete revision of the existing International General Radio Regulations adopted at Cairo in 1938.

The United States Delegation is listed as follows:

## *Chairman*

Charles R. Denny, Chairman, Federal Communications Commission

## *Vice chairman*

Francis Colt de Wolf, Chief, Telecommunications Division, Department of State

## *Delegates*

Gordon L. Caswell, Capt., U.S.N., Fleet Operations, Communication Officer, Navy Department  
J. Howard Dellinger, Ph.D., Sc.D., Chief, Central Radio Propagation Laboratory, Division 14, National Bureau of Standards, Department of Commerce  
Ewell K. Jett, Commissioner, Federal Communications Commission  
Donald E. McKay, Capt., U.S.C.G., Chief, Communications Division, United States Coast Guard, Treasury Department  
Paul D. Miles, Chief, Frequency Service-Allocation Division, Federal Communications Commission  
Harvey B. Otterman, Assistant Chief, Telecommunications Division, Department of State  
A. G. Simson, Consultant, Communications Liaison Branch, Office of the Chief Signal Officer, War Department  
Edward M. Webster, Commissioner, Federal Communications Commission

## *Consultants*

Spencer B. Akin, Maj. Gen., U.S.A., Chief Signal Officer, United States Army, War Department  
Harold M. McClelland, Maj. Gen., U.S.A., Commanding General, Airways and Air Communications Service, War Department  
Earl E. Stone, Rear Admiral, U.S.N., Director of Naval Communications, Navy Department

## *Advisers*

David C. Adams, Assistant to General Counsel, Federal Communications Commission  
Martin D. Berg, Lt. Cmdr., U.S.C.G., Liaison Officer, Division of Naval Communications, Navy Department  
Robert R. Burton, International Broadcasting Division, Department of State  
John S. Cross, Assistant Chief, Telecommunications Division, Department of State  
Wilfrid Dean, Jr., Radio Engineer-Technical Adviser for Navy Frequency Division, Navy Department  
John M. Grider, Cmdr., U.S.N., Assistant Head of Navy Frequency Division of Navy Communications, Navy Department  
C. W. Janes, Lt. Col., Chief, Communications, Liaison Branch, Office of the Chief Signal Officer, War Department  
Helen G. Kelly, Special Assistant to Chief, Telecommunications Division, Department of State  
Arthur L. Lebel, Telecommunications Division, Department of State  
Roger C. Legge, Jr., Radio Propagation Specialist, International Broadcasting Division, Department of State  
Walter E. Linaweaver, Capt., U.S.N., Assistant Chief of Naval Communications, Navy Department  
Carl W. Loeber, Assistant Chief, International Communications Division, Federal Communications Commission  
Donald R. MacQuivey, Divisional Assistant, Telecommunications Division, Department of State

<sup>1</sup> Treaty Series 867.

<sup>2</sup> Treaty Series 948.

Albert L. McIntosh, Assistant Chief, Frequency Service-Allocation Division, Federal Communications Commission

Lawton S. F. Meaker, Radio Engineer, Air Communications Office, Army Air Forces, War Department

William F. Minners, Chief, General Mobile Service Section, Federal Communications Commission

John N. Plakias, Communications Attaché, American Embassy, Paris

Lloyd H. Simpson, Radio Liaison Officer, Civil Aeronautics Administration, Department of Commerce

Florence A. Trail, Telecommunications Division, Department of State

Nathaniel White, Chief, Frequency and Call Sign Section, Communications and Liaison Branch, Office of the Chief Signal Officer, War Department

Marion H. Woodward, Assistant Chief Engineer, Federal Communications Commission

*Alternates for Mr. Woodward*

William N. Krebs, Chief, Safety and Service Branch, Federal Communications Commission

E. L. White, Chief, Aviation Division, Federal Communications Commission

*Administrative Staff*

SECRETARY AND LIAISON OFFICER TO SECRETARY GENERAL

Ben F. Dixon, Division of International Conferences, Department of State

ASSISTANT SECRETARY

Frances Pringle, Division of International Conferences, Department of State

PROTOCOL OFFICER

Robert Breckinridge, Division of Protocol, Department of State

PRESS OFFICER

Joseph Reap, Office of the Special Assistant for Press Relations, Department of State

In addition to the United States Delegation, representatives of private telecommunications operating companies are to be certified as a part of their respective government's delegation in an advisory capacity.

**U.S. DELEGATION TO PROVISIONAL MARITIME CONSULTATIVE COUNCIL**

[Released to the press May 12]

The Secretary of State announced on May 12 that the President has approved the composition of the United States Delegation to the first session of the Provisional Maritime Consultative Council (PMCC) which is scheduled to be held at Paris

beginning on May 16. The nominations were submitted by the Secretary of State upon the recommendation of interested departments and agencies of this Government. The United States Delegation is listed as follows:

*Chairman*

Huntington T. Morse, United States Maritime Commission

*Delegates*

Myron L. Black, Shipping Attaché, American Embassy, Rome

John W. Mann, Shipping Division, Department of State

Robert T. Merrill, Captain, United States Coast Guard

Thomas B. Monroe, National Federation of American Shipping, Washington, D.C.

The United Maritime Consultative Council at its final session, held at Washington, October 24-30, 1946, recommended that a permanent inter-governmental maritime organization should be established through the machinery of the United Nations. It also recommended the establishment of the Provisional Maritime Consultative Council to serve as an interim measure pending the consideration of a draft constitution for a permanent intergovernmental maritime organization by a conference of interested governments to be convened for that purpose by the Economic and Social Council of the United Nations. The United States Government accepted membership in the Provisional Maritime Consultative Council in the latter part of 1946.

The Provisional Maritime Consultative Council is intended to provide an interim forum for the consideration of shipping problems of a technical and regulatory nature referred to it by governments and for the consideration of shipping problems of broader scope when referred to it by the United Nations.

Though the agenda for the first session of the Provisional Maritime Consultative Council has not as yet been determined, it is expected that the Council will consider items suggested by participating governments dealing with international maritime problems. Included among these items may be the coordination of international activities in the fields of aviation, shipping, telecommunications, and meteorology with regard to safety at sea and in the air over the sea, and the uniformity of merchant-vessel statistics and data.



## THE RECORD OF THE WEEK

### Inauguration of Greek-Language Broadcasts by Voice of America

#### RECORDED STATEMENT BY THE SECRETARY OF STATE<sup>1</sup>

To the people of Greece the American people send greetings and expressions of warm friendship. I take the opportunity to speak to you directly over this new daily program from the United States.

Our Congress has just passed—after full and detailed debate—the Greek Aid Act. Through this program we hope to help you recover from the heavy blows of the war years to the end that a stable Greece may take the place to which she is so entitled in the community of nations.

There has been much of misunderstanding regarding our program of aid to Greece. There has been much of distortion and misrepresentation of

our purpose. We are answering the call of a valiant ally who has suffered much, of a country to which this American democracy owes much. We are coming to the aid of all the Greek people, in the hope that we may enable you to meet a trying period and to help you to establish a unified, stable, and peaceful Greece. It is as simple as that.

Today I speak directly to you over four thousand miles of ocean. What more proof could one ask that the community of nations already exists?

Let us all, then, join in the new task. The job will not be easy. But with patience and hard work and, above all, good-will, it can be done.

#### RECORDED STATEMENT BY ASSISTANT SECRETARY BENTON

These broadcasts from America will come to you henceforth each evening at this time by radio, bringing you news and opinions from the United States—seeking to give you a fair cross section of American developments and of American life.

Tonight's broadcast is the latest extension of our effort to help build understanding among the peoples. It brings to 26 the number of languages in which we broadcast to the nations of the world. Our broadcasts will supplement the activities of

our United States Information Service in Athens.

The inauguration of these broadcasts from America to Greece and our program of financial and economic aid to Greece are in a sense part of the historical "evening-up" process.

The Voice of Greece today speaks to America across 2,500 years. Greek art, sculpture, architecture, drama—these speak to us steadily, making our daily lives richer. The great Greek philosophers, historians, statesmen, all these speak to us eloquently, daily, as we try to make our own great democracy function more perfectly.

Modern Greece speaks to us, too, of heroism and sacrifice in resistance to invasion.

Our civilization and our country are by comparison very new. But I believe that we have something important to contribute to Greece and to the world today. For our passion for freedom

<sup>1</sup> These recorded statements inaugurated on May 13 the Greek-language broadcasts over the Voice of the United States of America, which will be heard daily in a 15-minute news program, to be relayed under contractual arrangements with the Columbia Broadcasting System from New York over international short wave through transmitters of the British Broadcasting Corporation in London and through the U.S. short-wave transmitters at Munich, Germany.

and democracy and tolerance is no less intense than was that of the philosophers and statesmen of ancient Greece. We firmly believe that through preserving the dignity of the individual, and through the free association and self-government of free men, the world has its great chance to live happily, prosperously, and at peace.

Our broadcasts will attempt to give you daily a view of our democracy in action. It is not a perfect democracy. But we are ever trying to improve it. Meanwhile, we shall make no effort to conceal our faults and our shortcomings. All of these will appear in the news and views you receive, in the cross section of our life which we shall transmit. Our broadcasts will thus endeavor

to bring you a balanced picture of American life, those things in which we feel we can take some pride, as well as the faults which we freely confess and which we seek steadily to overcome. The people of Greece have been getting all too many interpretations, I'm afraid, of American life and American policy from outside sources which misrepresent and distort our actions and thus seek to blacken our purposes. We hope that the pattern of our American ideals, and of the principles by which we live, and of the success of those principles and ideals in action, will stand out clearly from these—our broadcasts. We invite you to listen and decide. And it is for you to decide and for you only.

#### RECORDED STATEMENT BY SENATOR VANDENBERG

##### *To the People of Greece:*

Three weeks ago today the Senate of the United States overwhelmingly approved President Truman's program of assistance to Greece and Turkey. Last Friday the House of Representatives gave its assent. Thus it becomes totally clear that the President and the Congress stand united in our determination to help Greece survive as a free nation.

We in the United States have always had great admiration for your country and your people. Who can forget that Greece was the cradle of democracy in the ancient world? Who can forget that Greece was the mother of one of the finest civilizations the world has ever known? And who can forget the magnificent contribution your people made to the cause of the United Nations during the darkest hour of the war against barbarism?

The program of financial assistance which our Congress has approved will pour into the economic blood stream of the Greek community the vital nourishment of which it was deprived by the savagery of the Nazi occupation.

But I want to be completely frank about one point. Our program to sustain the vigor and independence of Greece is not mere charity to a friendly and needy neighbor. It is a program in the genuine self-interest of the United States. In a sense it is even a selfish program, when you consider

that our common anxiety for world peace and security has at its foundation every individual's selfish desire to be allowed to pursue his life's business in peace. If the freedom of the Greek people to go about their private affairs in calm security is suddenly removed, we Americans feel that our freedom is threatened too. This is the measure of how close-knit the world has become.

It should be obvious that the United States Government in undertaking this program makes no distinction between Greek and Greek. Our purpose is to help all those Greeks who put the interests of their own country first. Indeed we plead for unity and harmony among all the people of Greece. We plead for moderation and for a return to normal and orderly political processes. In the words of President Truman, delivered to the Congress of the United States on March 12th:

"We have condemned in the past, and we condemn now, extremist measures of the right or the left. We have in the past advised tolerance, and we advise tolerance now."

It is only by forgetting the animosities which have risen to divide it that any nation can pull itself back from the brink of a tragedy such as now threatens the Hellenic people. Americans hope sincerely that our aid will help to bring about a speedy healing of Greece's internal wounds. That, too, is in our interest as well as in the interest of Greece itself and of the whole world.

## Radio Advisory Committee Urges Strengthening of Voice of America

Expansion of the Department of State's international short-wave Voice of America as well as its entire cultural relations program as a measure to avoid a "serious setback" in this country's relations with the rest of the world, was recommended in a report submitted to the Department on May 17 by its Radio Advisory Committee.

The Committee, made up of eight eminent publishers, educators, and radio network officials, held that the funds now available for the Department's international broadcasting are "inadequate to do the job required by the national interest", and asserted that "now, more than at almost any time in our history, a clear and fair picture of America and American policy should be heard abroad".

Coincident with making public the Advisory Committee's report, Assistant Secretary of State for public affairs William Benton announced that he will soon appoint a continuing committee to act as an advisory group pending Congressional action on the State Department's proposal now pending to turn its short-wave broadcasting activities over to a public foundation. Mr. Benton said:

"The Committee's report is extremely helpful and I am grateful to the Committee for the public service it has rendered.

"I appointed the Committee to comply with the spirit of point three, section 502, in the bill now under consideration by the Foreign Affairs Committee of the House called 'United States Information and Educational Act of 1947'. This section reads: 'that the Department shall invite outstanding private leaders of the United States in cultural and informational fields to review and extend advice on the Government's international information activities'. A similar provision was included in the bill on this subject which passed the House last year but failed to come to a vote in the Senate on the closing day of the last Congress.

"Similarly, the Department proposes to appoint a continuing committee of independent experts to make periodic reports of our broadcasts so that the public may be kept advised of our activities. Such a committee can function pending Congressional action on the long-range radio setup for handling the international broadcasting.

"The committee's advice will also be of assistance to us in further assuring that the Voice of America programs truly project a full and fair picture of our country.

"I hope at least some of the members of the Committee which has just reported will consent to serve on the standing committee."

Mr. Benton called attention to another recent report, that of the Committee of the American Society of Newspaper Editors. In its recent report, in April of this year, this Committee stated that the Russian language broadcasts are "being conscientiously done and that the gentlemen in charge are using skill and resourcefulness in the endeavor to dissipate as far as their medium allows, the many misconceptions about the United States which are prevalent in Russia."

The State Department's Radio Advisory Committee was appointed a year ago by Mr. Benton to make a study of the Department's international broadcasting. The Committee also interested itself in the need for American international information and cultural relations activities and in the effectiveness of the State Department's efforts in this field.

The Committee is made up of the following members:

Mark Ethridge, publisher of the *Louisville Courier Journal* and past president of the National Association of Broadcasters

Gardner Cowles, Jr., publisher, *Des Moines Register and Tribune*; president, Cowles Broadcasting Company

Roy E. Larsen, president of Time, Inc.

Prof. Harold Lasswell, School of Law, Yale University

Don Francisco, vice president and director of the J. Walter Thompson Advertising Agency

Sterling Fisher, assistant public service counselor, National Broadcasting Company

The Rev. Robert I. Gannon, president, Fordham University

Edward R. Murrow, vice president, Columbia Broadcasting System

Serving as its consultants were Philip Cohen of Sullivan, Stauffer, Colwell, and Bayles, Inc., Advertising Agency, and Victor Hunt of the State Department's Office of International Information and Cultural Affairs.

## REPORT OF RADIO ADVISORY COMMITTEE TO THE ASSISTANT SECRETARY OF STATE FOR PUBLIC AFFAIRS

On May 10, 1946, at the first of our five meetings, you asked us to examine certain aspects of the international broadcasting activities of the State Department and to make recommendations concerning the role of the United States Government in this important field.

At this and subsequent meetings you placed at our disposal transcripts giving a representative cross section of the State Department broadcasts, reports from State Department officials abroad on the need for and the effectiveness of American broadcasts beamed to other countries, and other materials that enabled us to get a picture of the international broadcasting activities of the State Department.

We have also had discussions with Gen. David Sarnoff, president of the Radio Corporation of America; William Paley, chairman of the Board of the Columbia Broadcasting System; Lawrence Fly, formerly chairman of the Federal Communications Commission, and now a legal representative for one of the short-wave licensees; and members of your staff who have supplied information requested by your Committee.

Although the examination of America's part in international radio was the chief concern of the Committee, it was also necessary that we examine the general problems of international information of which broadcasting is merely one part.

Your Committee is in agreement that the free flow of information throughout the world is one of the essentials to a lasting peace. Unless we make it possible for others to tell their story to us, and unless we have that same privilege throughout the world, it will be difficult, if not impossible, to insure a lasting peace based on mutual understanding.

Your Committee believes that the Voice of America should be heard throughout the world through the press, motion pictures, and libraries, as well as through radio which is our immediate concern in this report. A great part of this total job is being done and, in our opinion should continue to be done, through private agencies since

this is in the American tradition; but, where private agencies are unable to disseminate information about the United States, either because of financial problems or barriers erected by various governments, it is the duty of the United States Government to see that the Voice of America is heard.

This brings us to the problem of radio. Seventy-five percent of the earth's population lives under some degree of censorship. Radio broadcasting offers the surest way to reach these people, as well as those living in censor-free countries, with information about the United States. By broadcasting we mean not only the broadcasting through short-wave facilities, for even though it is estimated that there are 29 million short-wave sets outside the United States, still this is a limited field. We also mean the arranging of exchange broadcasts with networks and individual stations in other countries and the furnishing of transcriptions which give a true and unbiased picture of this country.

In discussing the role of America in the international broadcasting field, it should be pointed out that 56 countries and dependencies are in the short-wave broadcasting field today. As a measure of comparison it is interesting to note that whereas Great Britain spends 16 million dollars annually in this field, the United States is spending some 8 million; because of lower costs in Britain, and other factors, the volume of British output exceeds that of the United States by about three to one. It is impossible to estimate the amount that is being spent by the Union of Soviet Socialist Republics, but it must be large. It is significant, for example, that among the smaller powers, Colombia's output is almost one third that of the United States.

It should also be pointed out that because of our location it is far more difficult for the United States to reach Europe and many areas in Asia than it is for all of the other major powers. This means that for the United States there are added costs in terms of transmitters and relay facilities. It also means that the frequencies allotted to the

United States must be used in the most efficient manner possible.<sup>1</sup>

The reports from State Department representatives abroad which we have examined clearly show that news of the United States is eagerly awaited by millions around the world who look to us as a stabilizing influence in the aftermath of the most destructive war in history. In answer to the question, does anyone abroad listen to the present Voice of America broadcasts, the evidence submitted indicates that the answer is an emphatic "Yes." The listening audience seems to be substantial. The 25,000 letters a month now being received from abroad have greater significance than a comparable number received from listeners to domestic broadcasts. Those on the Committee experienced in broadcasting agree that technological developments and improvements in broadcasting, and the prospect of new, cheaper, and better receiving sets, give promise of an ever-enlarging audience.

Whether we disseminate news ourselves or not, news about the United States will be disseminated. The question is thus whether we shall leave the presentation of news and information about the United States to others, or whether we shall insure that such news and information is available directly from an American source.

It is our understanding that the private owners of existing short-wave broadcasting facilities in this country have, while recognizing the importance of international broadcasting, stated that they are unable financially to make the expenditures necessary for the United States to play its full part in this vital field, although one licensee indicated a willingness to participate in a joint financing of a short-wave operation.

With these basic facts in mind, we are prepared to recommend that a public corporation, or Foun-

dation, be created to conduct international broadcasting in behalf of the United States. Such an International Broadcasting Foundation would derive its authority from Congress and would receive support from Congressional appropriations, but would operate under the policy supervision of a Board of Trustees consisting predominantly of distinguished private American citizens.<sup>2</sup>

It is impossible to say at this time what such a venture would cost. General Sarnoff has estimated that an operating budget of 20 million dollars a year—more than twice the present level—would be required to meet the need and the opportunity. Surely such a sum would be small, in this time of international tension, compared to the importance of making America's voice heard *before* misunderstanding developed rather than *after* misunderstanding had deepened into conflict.

Three elements are involved in successful broadcasting—an adequate signal, good programming, and sufficient promotional work to insure that the potential audience knows about the programs. Adequate financial support for facilities should guarantee the adequacy of the signals, which are today inadequate to the need. We would wish here also to stress the value of appropriate advertising of these Voice of America programs abroad.

In terms of the programs themselves we can only suggest that whatever broadcasts are made should fairly and completely represent life in this democracy. We should broadcast our triumphs in the industrial and social fields but we should show where we have failed and what we are doing to correct those failures; for surely this is the way of democracy.

Should the Congress approve of the International Broadcasting Foundation, a chief job of its Board of Trustees would thus be to guarantee an unbiased presentation of America.

In summary your Committee:

- a. Believes in the full exchange of information among all nations.
- b. Believes that in the broadcasting field, financial limitations make it impossible for the private broadcasters to carry on international broadcasting on an adequate scale.
- c. Believes that an international broadcasting foundation supported by government funds but under the policy control of a group of distin-

<sup>1</sup> It should also here be stressed that the number of international broadcasting frequencies is severely limited, that there is great international demand for these frequencies, and that those which are allocated for use by the United States will quickly be lost unless they are utilized for our material interest.

<sup>2</sup> On Jan. 9, 1943, David Sarnoff, president of RCA, proposed to Secretary of State Hull that "a new corporation be organized that might be jointly owned by private industry and Government and that would be charged with responsibility for carrying on international broadcasting in behalf of the United States".

guished citizens offers the best way to make the voice of America heard abroad.

*d.* Believes that now more than at almost any time in our history a clear and fair picture of America and American policy should be heard abroad. No one will do this job for us. We must do it ourselves. The job involves the use of many media—radio, books, motion pictures, the press—but among them radio seems today the most critically important for the projection of a full and fair picture of the United States.

*e.* Believes that the funds now available for international broadcasting are inadequate to do the job required by the national interest, and that they must be expanded if our Nation is to avoid a serious set-back in the development of its proper relations with the rest of the world.

*April 19, 1947*

*Signatures*

MARK ETHRIDGE	PROF. HAROLD LASSWELL
DON FRANCISCO	STERLING FISHER
GARDNER COWLES, JR.	THE REV. ROBERT I. GANNON
ROY E. LARSEN	EDWARD R. MURROW

*Consultants*

PHILIP COHEN	VICTOR HUNT
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## Negotiations for Mutual Restoration of Civil Property

### JOINT STATEMENT BY THE UNITED STATES AND YUGOSLAV GOVERNMENTS

[Released to the press May 16]

The Governments of the United States and Yugoslavia have agreed to undertake negotiations beginning May 19 concerning American property in Yugoslavia, and Yugoslav property in the United States which is now administered by the United States Treasury or by the Office of Alien Property. The negotiations will have as their objective the early settlement of questions related to this property as well as other financial claims of either one of these Governments or its citizens against the other. In the course of the negotiations it is proposed that outstanding lend-lease matters be settled as provided in the master lend-lease agreement concluded between Yugoslavia and the United States on July 24, 1942.

*May 25, 1947*

Washington has been chosen as the place for the negotiations. The Yugoslav Delegation will be headed by the Assistant Foreign Minister, Vladimir Velebit, who is also the deputy chief of the Yugoslav Delegation for the United Nations meeting on Palestine. Willard Thorp, Assistant Secretary of State for economic affairs, will be chief of the United States negotiating group.

## Erratum

The BULLETIN of March 30, 1947, p. 574, erroneously reported that the Far Eastern Commission approved on March 14, 1947, its policy decision on controls for Japan to relieve world food shortages. The decision was approved on February 27, 1947, and released to the press on March 14.

## Agreement on ITO Charter Urged for Economic Stability

### STATEMENT BY THE SECRETARY OF STATE<sup>1</sup>

The keynote of World Trade Week in 1947 is "World Trade Unites Nations", a theme particularly appropriate for a time when the need for unity among peoples is more vital than ever before in history. National leaders are urgently seeking unity in all the fields of international relations—political, security, and economic. Economic conflict and trade wars invariably set the stage for political disunity.

Representatives of 18 trading nations are meeting now in Geneva in a concerted effort to achieve unity through expansion of world trade and the resulting increases in production, employment, and improvement of living standards in all countries.

Although the United States Government has taken a leading part in bringing about this meeting, a successful conclusion can only be realized through the cooperation of all participating nations. At Geneva these countries are seeking to lower excessive trade barriers and are engaged in drafting a charter for an International Trade

<sup>1</sup> Made on May 18 on the occasion of the observance of World Trade Week, May 18-24, 1947, and released to the press on the same date.

Organization, to insure international cooperation in commerce. Agreement on this charter will mark a great step toward economic stability and the common security.

## France Receives First Loan Made by International Bank

[Released to the press by the International Bank for Reconstruction and Development May 9]

The International Bank for Reconstruction and Development announced on May 9 the granting of its first loan, totaling \$250,000,000, to Crédit National, a semi-public French corporation created to assist in financing the reconstruction and development of the French economy. The loan is guaranteed by the Republic of France. The executive directors of the International Bank, at a special meeting on May 9, voted their approval of the loan, which originated in a request for a \$500,000,000 loan by the French Minister of Finance in an application dated October 8, 1946. The loan agreement was signed for the Bank by John J. McCloy, president, and on behalf of the Crédit National by Wilfrid Baumgartner, president. The guaranty agreement was signed by Henri Bonnet, Ambassador of France.

The loan is being made to assist France in the reconstruction of its war-torn economy and to finance the import of specific goods and equipment necessary to its economic rehabilitation. A portion of the proceeds will be devoted to the modernization of the steel industry, including a modern strip mill. The transportation system is to be improved by the purchase of locomotives and freight cars, cargo ships and canal barges, and commercial airplanes. Coal and oil, essential to industry and transport, figure largely among the prospective purchases, as do industrial raw materials, including semi-finished steel products and non-ferrous metals. Under the loan agreement, the Bank will obtain full information concerning the goods to be purchased with the proceeds of the loan and their utilization. France will be free to purchase in whatever markets are most advantageous.

Because of its size and productive capacity, France is pivotal in western Europe. The economic rehabilitation of France will speed the recovery of surrounding countries and, through an

expansion of trade, be beneficial to the rest of the world.

The loan is for a period of 30 years and will carry interest at the rate of 3¼ percent. In accordance with its articles of agreement, the Bank will also charge a commission of 1 percent per annum on the outstanding portion of the loan to build up a special reserve.

The French national recovery program calls for heavy imports during the next five years. Therefore, no repayment of principal is scheduled for this period. Thereafter amortization begins at a modest rate and increases gradually so that the loan will be completely amortized by its due date.

Mr. McCloy states that, although the Bank is not now prepared to make any commitments with regard to a further loan, it will be willing to consider an additional application from France later this year. Any new application will be considered in the light of the funds which the Bank will then have available for lending and of the progress made in carrying out the French economic and recovery program.

## Additional Grain Shipments to France

[Released to the press May 15]

The Department of Agriculture has agreed to make available an additional 150,000 long tons of corn to France from Production and Marketing Administration stocks on hand, with the expectation that the French will secure the necessary shipping. This action has been taken in order to expedite the movement of additional grain to France because of the critical shortage which now exists there. This additional quantity will be taken into account in future formal allocations.

This corn, together with recent emergency allocations of 69,000 long tons of wheat and flour, makes a total of 219,000 long tons of bread grains which in the past 30 days have been made available to the French over and above all previous commitments from this country.

It is felt that these additional shipments, together with the quantities of grain already shipped or scheduled for shipment (343,000 long tons) to France and French North Africa from the United States, will alleviate the critical nature of the shortage in France until new crop grains from her own production begin to move.



## U.S.-Soviet Joint Commission for Korea To Be Reconvened

### LETTER FROM THE SECRETARY OF STATE TO THE SOVIET MINISTER FOR FOREIGN AFFAIRS

[Released to the press May 13]

May 13, 1947.

MY DEAR MR. MOLOTOV:

I have received your letter of May 7, 1947<sup>1</sup> and am pleased to note the agreement of your Government to the reconvening of a Joint Commission on the basis of the proposals made in the American Commander's letter of December 24, 1946 to the Soviet Commander in Korea. Those proposals were authorized by this Government and are identical in purpose to the statement contained in the second paragraph of my letter of May 2, 1947.<sup>2</sup>

I am instructing the American Commander in Korea to make immediate preparations for reconvening the Commission in Seoul. A copy of this letter has been sent to the Governments of the United Kingdom and China.

I convey [etc.]                      GEORGE C. MARSHALL

## U.S.-Mexican Friendship Reiterated

[Released to the press by the White House May 13]

*Text of the President's message to His Excellency Miguel Alemán, President of the United Mexican States*

I thank you for your courteous message sent me upon your departure from the United States.

The visit which you and your distinguished companions have graciously paid to me and to the people of the United States has strengthened the already firm ties of friendship and understanding between our two countries. I share your confidence that our relations will grow ever stronger in the same cordial spirit that governed my recent visit to your great country and your visit to the United States.

May I express to you, Mr. President, my best wishes for your personal well-being and happiness.

*Text of President Alemán's message, to which the foregoing is a reply*

Upon leaving the territory of the United States, I desire to express to you once again my deep

gratitude for all the courtesies which you were so good as to extend to me during my stay in your great country, for whose happiness I express sincere wishes as President of a people which believes deeply in the democratic solidarity of liberty-loving men, governed by justice and associated in progress.

The spirit of complete and reciprocal understanding which guided all our conversations in Washington as well as in Mexico is an excellent guarantee of the cordiality of our Republics.

In view of your high qualities as a statesman and as a man which give value to your noble sincerity, that spirit of understanding has found in you a strong champion of inter-American cohesion.

Confident that the cordiality to which I refer will continue to be the best basis for strengthening and promoting the relations of our governments and our peoples, I repeat to you, Mr. President, the sentiments of my constant and steadfast friendship.

## Stabilization Agreement With Mexico<sup>3</sup>

The Secretary of the Treasury of the United States of America, John W. Snyder; the Ambassador of Mexico, Antonio Espinosa de los Monteros; and Rodrigo Gomez, representing the Banco de México, on May 13 executed a new 50-million-dollar stabilization agreement between the two countries.

Under the terms of this agreement, which was the subject of discussion during the recent visit to the United States of President Alemán and Minister of Finance Beteta, the United States Stabilization Fund undertakes for a period of four years commencing July 1, 1947, to purchase Mexican pesos to an amount equivalent to 50 million dollars for the purpose of stabilizing the United States dollar-Mexican peso rate of exchange.

This agreement extends and enlarges the stabilization agreement of 1941 which was twice extended for two-year periods and which expires on June 30, 1947.

Secretary Snyder and Minister Beteta during

<sup>1</sup> BULLETIN of May 18, 1947, p. 995.

<sup>2</sup> BULLETIN of May 11, 1947, p. 947.

<sup>3</sup> Released to the press by the Treasury Department simultaneously in Washington and in Mexico City on May 13, 1947.

their discussions reviewed the satisfactory foreign-exchange relations between Mexico and the United States and the stability which has characterized the peso-dollar exchange rate during the six years that the stabilization agreement has been in effect. They also viewed with satisfaction the complete freedom of exchange operations between the two countries—operations which have involved the financing of aggregate foreign trade exceeding 700 million dollars in 1946, as well as large travel expenditures and other international receipts and payments.

The Secretary and the Finance Minister pointed out that the stabilization agreement is consistent with the aims and purposes of the International Monetary Fund, of which both countries are members, and will in fact serve to supplement the efforts of the international organization to stabilize the rates of exchange between all the member countries.

## **American Consular Service in India To Be Augmented**

[Released to the press May 16]

American consular establishments in India are being augmented, under agreement with the Government of India, by a consular section at the American Embassy, New Delhi, which was inaugurated on May 12, 1947, and a Consulate General at Lahore, Punjab, which is scheduled to open in the near future.

The historic city of Lahore, with its 700,000 inhabitants, is the capital as well as the educational and commercial center of Punjab Province and lies at the junction of railway routes from Peshawar on the northwest frontier, the port of Karachi to the south, and Delhi and Calcutta to the east. Substantial American imports originate in the area, including carpets and carpet wool, hides and skins, and goat hair.

It is anticipated that the presence of permanent consular establishments at New Delhi and Lahore will serve to increase mutual understanding between the United States and India and aid the growth of commercial and cultural relations. The purpose of the new offices will be to improve facilities available to American businessmen interested in the products of the north and northwest regions and to make available more convenient services to several hundred American citizens in the area, the

majority of whom are associated with American missionary and educational organizations. The increasing number of Indian citizens in the region who wish to study, trade, or travel in the United States has, moreover, emphasized the need to provide not only more convenient visa facilities but also a more accessible source of information regarding the United States and the opportunities existing here for Indian students and businessmen.

## **Air-Transport Agreement With Chile**

The Department of State announced on May 14 the signature in Santiago, Chile, of an air-transport agreement, on May 10, 1947, between the Government of the United States of America and the Government of the Republic of Chile. The agreement was signed in behalf of the Government of the United States by the United States Ambassador, Claude G. Bowers, who was assisted in the negotiation thereof by Thomas T. Carter of the Department of State.

The agreement is in substance along the general pattern covering air-transport agreements which the United States of America has entered into with many other countries. It incorporates the terms of the so-called Chicago standard-form agreement and the substance of the Bermuda agreement between the United States of America and the United Kingdom. It is the thirty-second bilateral air-transport agreement entered into by the Government of the United States of America.

The following routes have been designated in Annex B of the agreement:

*a* The airlines of the United States of America authorized under the present agreement are accorded rights of transit and non-traffic stop within the territory of the Republic of Chile, as well as the right to pick up and discharge international traffic in passengers, cargo, and mails on the following routes via intermediate points, in both directions:

*b* The United States and/or the Canal Zone to Arica, Antofagasta, and to Santiago and beyond Chile; (*a*) from Arica to points, in Bolivia and beyond; (*b*) from Antofagasta to points in Argentina and beyond; and (*c*) from Santiago to points in Argentina and beyond.

c The airlines of the Republic of Chile authorized under the present agreement are granted, in the territory of the United States of America, the rights of transit and stop for non-commercial purposes, and the right to take on and discharge inter-

national traffic in passengers, cargo, and mails on the following routes via intermediate points, in both directions:

d From the Republic of Chile via Panama Canal Zone to Miami and/or New York and beyond the United States.

## UNRRA Operations: Tenth Quarterly Report

### THE PRESIDENT'S LETTER OF TRANSMITTAL

[Released to the press by the White House May 15]

*To the Congress of the United States of America:*

I am transmitting herewith the tenth quarterly report covering the operations of UNRRA and the expenditure of funds appropriated by the Congress for this purpose.

During the quarter under review (October 1, 1946, to December 31, 1946) estimated shipments of supplies from the United States to UNRRA receiving countries amounted to approximately 1,813,192 tons, valued at approximately \$182,732,000. Cumulative world shipments by UNRRA as of December 31, 1946, were approximately 19,885,870 tons, valued at approximately \$2,311,225,000. Of these totals, shipments from the United States were approximately 14,890,685 tons, valued at approximately \$1,664,082,000 or, respectively, 75 percent and 72 percent of the total.

The approximate value of supplies remaining to be shipped on January 1, 1947, was a world total of \$660,000,000.

Two developments at the turn of the year impelled the Central Committee of UNRRA to make adjustments in the categories of supplies still to be shipped from the United States. The first was a critical shortage of food affecting particularly Austria, Poland, and Greece. The second was the fact that certain items being procured in the United States could not be delivered in time for shipment to Europe by March 31, 1947, or to the Far East by June 30, 1947. As a result, the proposal of UNRRA was adopted by the Central Committee on February 3, 1947, for the establishment of an emergency food program in the amount of \$35,000,000. This amount was to be obtained from contracts which could not be shipped before the deadlines to the value of \$25,000,000, an amount of \$4,000,000 from the Director General's reserve, and an amount of \$6,000,000 from the Czechoslovakian

program on the basis of information that Czechoslovakia's relative recovery far exceeded that of other recipient countries. The food program was distributed so that Austria would receive \$20,000,000, Poland \$11,000,000, and Greece \$4,000,000.

Thus UNRRA, by shifting its remaining resources, was able to meet a serious food deficit in the first quarter of 1947. I mention this particular fact to illustrate that the specter of hunger is still close to the peoples of many liberated areas. It is this condition which it is intended that the United States will help to relieve through a 1947 U.S. relief program. We cannot allow our vast efforts through UNRRA and through other means to remain incomplete. It will take a relatively small amount in 1947 to help assure that most liberated countries finally will be able to meet their own needs without free assistance from outside sources.

In addition to its task of providing supplies to devastated countries, UNRRA has carried out a second major responsibility, that of caring for displaced persons. Several hundred thousand displaced persons will be unrepatriated on June 30, 1947, when the resources available to UNRRA will be exhausted. The United Nations has voted to assume the responsibility for these displaced persons through an International Refugee Organization to be composed of member nations. I have recommended to the Congress that the United States join the IRO and that we appropriate the sum of \$75,000,000 as the United States share of the operating fund which is required for the care of these unfortunate people.

The Congress now is considering a joint resolution which provides the sum of \$350,000,000 for relief assistance by the United States to the people of countries devastated by war. This sum is comparatively small in relation to amounts already

made available by this Government through various means. It is an amount, however, which is of tremendous importance in completing the vast efforts we already have made. Other countries which can make contributions for relief assistance in 1947 have been consulted through the Secretariat of the United Nations and through other channels.

The United States has the resources needed by war-devastated countries to carry them through this year into a new year in which most of them may hope that they will achieve economic recovery. The peace of the world can be realized only when people are free from the fear of hunger.

The goal is close. The United States can help many countries reach that goal in a few more months through the supplies which the joint resolution on relief assistance will provide. I have no doubt that the American people desire that we finish what UNRRA has so well begun.

HARRY S. TRUMAN

THE WHITE HOUSE, *May 15, 1947*

## Tax Treaty Negotiations With New Zealand

[Released to the press May 14]

Preliminary discussions have been opened at Washington with technical representatives of the New Zealand Government looking to the conclusion of a treaty between the United States and the New Zealand Governments for the avoidance of double taxation and for administrative cooperation in prevention of tax evasion with respect to taxes on income.

It is understood that Walter Nash, the New Zealand Minister of Finance, will complete the discussions in Washington while he is en route to New Zealand from the World Trade Conference in Geneva.

In connection with the discussions, the American Delegation will welcome conferences with interested parties or statements and suggestions from them concerning problems in tax relations with New Zealand. Communications in this connection should be addressed to Eldon P. King, Special Deputy Commissioner of Internal Revenue, Bureau of Internal Revenue, Washington 25, D.C.

## Resignation of Dean Acheson as Under Secretary of State

### LETTER FROM THE PRESIDENT TO MR. ACHESON

[Released to the press by the White House May 12]

DEAR DEAN: It is with great regret that I realize that I cannot again ask you to put aside your desire to return to private life. For the past two years my appeals to your high sense of public duty have kept you on the job despite the personal sacrifice it has meant to you.

I can easily appreciate the reasons which impelled your desire to return to private life as embodied in your letter written as long ago as April 17, 1946, and in another letter the year before.

In response to my urging in both instances you held in abeyance your plans to retire. Again, when you renewed last December your wish to relinquish your post we agreed tentatively that you should leave office on January 10, 1947. Realizing that all these deferrals have meant great financial sacrifice, I appreciate all the more your magnanimous action in standing at your post for another six months.

In justice to you, therefore, the time has come when I must yield to your wishes. With great regret I accept your resignation as the Under Secretary of State, effective at the close of business on June 30, 1947.

You have been the type of efficient public servant whose withdrawal from public life at any time would be a loss to the Nation.

You brought to your duties in the Department of State, legal training and experience; familiarity with finance, particularly in its bearing upon international relations; clear-cut judgment and incisive powers of reasoning. These, with your prodigious industry, have been assets upon which we could always rely and we shall miss them in time to come. I shall like to think that I can, as need arises, call upon you for advice.

With deep regret that the time is now approaching when we must lose your services and with best wishes for your happiness and continued success in private pursuits,

Very sincerely yours,

HARRY S. TRUMAN

Department of State Bulletin

## Appointment to Military Tribunal

On May 15, 1947, by Executive Order 9852 (12 *Federal Register* 3183), the President appointed Charles F. Wennerstrum, Chief Justice of the Supreme Court of the State of Iowa, to serve as a member of one of the several military tribunals established by the military governor for the United States zone of occupation within Germany.

## UNESCO Conference—Continued from page 1021

comforting, and a generation which is used to the acceleration of mechanical processes finds it hard to accept the slowness with which human habits and relations are developed. From the point of view of the great effort represented in the founding of the United Nations system, the greatest task of statesmanship today is to maintain a situation in which the constructive forces can work.

## THE CONGRESS

Reciprocal Trade Agreements Program: Hearings before the Committee on Ways and Means of the House of Representatives on the Operation of the Trade Agreements Act and the Proposed International Trade Organization. Part 1. 80th Cong., 1st sess. 292 pp.

Investigation of Un-American Propaganda Activities in the United States: Hearings before the Committee on Un-American Activities of the House of Representatives on H.R. 1884 and H.R. 2122, bills to curb or outlaw the Communist Party of the United States. Part 1, testimony of Hon. William C. Bullitt. 80th Cong., 1st sess. 31 pp.

Commission on Organization of the Executive Branch of the Government: Hearing before the Committee on Expenditures in the Executive Departments of the United States Senate on S. 164, a bill for the establishment of the Commission on Organization of the Executive Branch of the Government. 80th Cong., 1st sess. 59 pp.

National Aviation Council: Hearings before the Committee on Interstate and Foreign Commerce of the House of Representatives on H.R. 2220, a bill to establish a National Aviation Council for the purpose of unifying and clarifying national policies relating to aviation, and for other purposes. 80th Cong., 1st sess. 43 pp.

National Science Foundation: Hearings before the Committee on Interstate and Foreign Commerce of the House of Representatives on H.R. 942, H.R. 1815, H.R. 1830, H.R. 1834, and H.R. 2027, bills relating to the National Science Foundation. 80th Cong., 1st sess. 279 pp.

Pearl Harbor Attack: Hearings before the Joint Committee on the Investigation of the Pearl Harbor Attack, pursuant to S. Con. Res. 27, a concurrent resolution authorizing an investigation of the attack on Pearl Harbor on December 7, 1941, and events and circumstances re-

lating thereto. Part 38, proceedings of Hewitt Inquiry. 79th Cong., 1st sess. 302 items.

Investigation of Un-American Propaganda Activities in the United States: Hearings before the Committee on Un-American Activities of the House of Representatives, on H.R. 1884 and H.R. 2122, bills to curb or outlaw the Communist party of the United States. 80th Cong., 1st sess. 340 pp.

Statehood for Hawaii: Hearings before the Committee on Public Lands of the House of Representatives on H.R. 49, H.R. 50, H.R. 51, H.R. 52, H.R. 53, H.R. 54, H.R. 55, H.R. 56, H.R. 579, H.R. 1125, and H.R. 1758. Committee Hearing no. 2. 80th Cong., 1st sess. 310 pp.

Participation by Small Business in Foreign Exports: Hearings before a Subcommittee of the Committee on Banking and Currency of the United States Senate, on S. 414, a bill to encourage fuller participation by small business concerns in soundly expanded foreign trade through Government insurance for United States exports. 80th Cong., 1st sess. 149 pp.

Treaties of Peace With Italy, Rumania, Bulgaria, and Hungary: Hearings before the Committee on Foreign Relations of the United States Senate on Executives F, G, H, and I. 80th Cong., 1st sess. 196 pp.

## THE DEPARTMENT

### Appointment of Officers

A. Sidney Buford, III, as Deputy Director, Office of Intelligence Research, effective April 20, 1947.

Herbert T. Edwards as Chief, Division of International Motion Pictures, effective May 4, 1947.

Garret G. Ackerson, Jr., as Chief, Division of Foreign Service Personnel, effective May 22, 1947.

### Departmental Regulations

#### 420.1 Use of Original Records of the Department of State: (Effective 5-5-47)

I USE OF RECORDS BY OFFICIALS OF THE UNITED STATES GOVERNMENT. The use of the records of the Department by Government officials will be subject to such conditions as the chiefs of the appropriate policy divisions of the Department of State, in consultation with the Chief of the Division of Historical Policy Research (RE), may deem it advisable to prescribe.

#### II USE OF RECORDS BY PERSONS WHO ARE NOT OFFICIALS OF THE UNITED STATES GOVERNMENT.

A *Unpublished Files and Records of the Department Prior to January 1, 1922.* The unpublished files and records of the Department prior to January 1, 1922 are, with certain exceptions, such as records relating to the citizenship of individuals, foreign service inspection and personnel records, and War Trade Board records, available for inspection to the general public at the National Archives. On January 1, 1948, and each year thereafter until January 1, 1955, this date will be automatically advanced one year.

The unpublished files and records of the Department in the period between the *open* date and January 1, 1933, or such subsequent date as may be fixed by the Department, may be made available for consultation to persons who are not officials of the United States Government, subject to the following conditions:

1 Files which are in current use in the Department or which cannot be made public without the disclosure of confidences reposed in the Department, or without adversely affecting the public interest, will not be made available to inquirers.

2 Papers received by the Department from a foreign government which have not been released for publication by that government will not be made available to inquirers without the consent of the government concerned. If there is reason to believe that a foreign government may be willing to permit the use of the papers in question under certain conditions, the permission may, at the discretion of the appropriate officials of the Department, be requested. (If such permission is requested, the expenses of communicating with the foreign government will be met by the person desiring to consult the papers.)

3 Permission to consult the records of the Department between the *open* date and January 1, 1933, or such subsequent date as may be fixed by the Department, may be granted, subject to the limitations set forth in this regulation, to such persons as lawyers, publicists, and qualified scholars provided that:

a The applicants satisfy the Department that they have an important and definite use for the information desired.

b The applicants confine their requests for material to specific subjects or particular papers. The Department is not in a position to assemble large quantities of papers for persons not officials of the United States Government.

c The applicants agree to utilize records made available to them subject to such conditions as the Department may find it necessary to prescribe.

4 An application from an alien to consult the records of the Department under this regulation will be considered only if such an application is accompanied by a letter from the head of the embassy or legation at Washington of the country of which the alien is a citizen, subject, or national. Such a letter will show that the applicant is favorably known to the appropriate embassy or legation, and that the mission is familiar with the applicant's work. The Department, however, reserves the right, without prejudice, to refuse permission to consult its original records to any alien applicant.

5 All applications to consult the records of the Department between the *open* date and January 1, 1933, or such subsequent date as may be fixed by the Department, will be referred to the Chief of RE. If the Chief of RE is of the opinion that the applicant possesses the requisite qualifications as set forth in this regulation, such application will be handled as follows:

a Documents or papers previously released or published, and unpublished papers clearly involving no question of policy, intelligence, or security may be

made available to qualified applicants by the Chief of RE without reference to other officials.

b Material or information bearing a security classification originating with another Government agency will not be made available unless specific approval is obtained from the agency of origin.

c In the case of requests for all other material, information, or documents, the Chief of RE will inform the chief of the policy division charged with the consideration of questions in the field which is the object of research or inquiry of the nature and precise limits of the proposed research and the papers involved.

d If the chief of policy division concerned determines that the applicant will be permitted to use all or part of the papers desired, he will inform the Chief of RE of the conditions under which the papers may be examined—that is, whether copies may be made of the relevant documents or whether only notes may be taken and whether the copies or notes may be published in whole or in part, or used only for background information; or any other conditions which the chief of policy division may deem it advisable to prescribe. This decision will be final except in cases of unusual importance where the question may be referred to the Under Secretary.

e Upon receiving the decision of the chief of the policy division setting forth the conditions deemed advisable and necessary to prescribe, the Chief of RE will arrange for the applicant to consult the files subject to the conditions decided upon.

f After the applicant has consulted the papers, he will submit to the Chief of RE all notes, copies of documents, and the like, which he has made. These materials will be examined by the Chief of RE or submitted to the chief of the policy division, if he so desires.

g After such examination the papers may be transmitted to the applicant by the Chief of RE or retained at the discretion of the chief of the division concerned.

**B** *Unpublished Files or Records of the Department of a Date Later Than January 1, 1933, etc.* The unpublished files or records of the Department of a date later than January 1, 1933, or such subsequent date as may be fixed by the Department, may not be made available to persons who are not officials of the United States Government except in circumstances which have been determined to be exceptional in accordance with the principles and procedures set forth below:

1 A determination to permit access to persons other than officials of the United States Government to the unpublished files and records of the Department during the *closed* period as defined above may be made only on the grounds that the interests of national policy are served thereby.

2 Such a determination will be made by a Committee on the Use of Departmental Files, consisting of the Security Officer of the Department, the Chief of RE, who shall be Chairman, and a representative of the offices responsible for the political and/or economic

policy involved. The Chief of RE shall designate an Executive Secretary to serve the Committee.

3 All requests by persons outside the United States Government for permission to use Departmental files in the *closed* period must be made in writing, with full justification, to the Chief of RE who will refer the request to the Committee for decision and transmit the Department's decision to the applicant.

4 Should the Committee fail to arrive at a unanimous agreement as to the policy or its application to particular cases, the matter will be referred, fully documented, to the Under Secretary for decision.

III LIBERAL INTERPRETATION OF REGULATION. It is the policy of the Department that its records be made available to persons not officials of the United States Government as liberally as circumstances permit.



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# *The Department of State*

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June 1, 1947

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# *The Department of State* bulletin

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## INTERNATIONAL WHEAT CONFERENCE

by Edward G. Cale

*The recent meeting in London of the International Wheat Conference was one of a series of efforts extending over a period of more than a dozen years looking toward the negotiation and the putting into operation of an effective international agreement on wheat.*

The International Wheat Conference was convened in London on March 18, 1947, to attempt to negotiate an international wheat agreement. The Conference ended on April 23 with an agreement drafted but not agreed upon. In its final session the Conference passed on to the International Wheat Council, established under the 1942 memorandum of agreement on wheat, the task of consummating the negotiations.

The Council was initially composed of representatives of Argentina, Australia, Canada, the United Kingdom, and the United States. It issued invitations in March 1946 to ten additional countries having a major interest in international trade in wheat to become members of the Council. The following eight countries accepted: Belgium, Brazil, China, Denmark, France, India, Italy, and the Netherlands. The Union of Soviet Socialist Republics and Yugoslavia, the other two countries to which invitations were issued, did not accept.

The International Wheat Conference, in deciding to ask the Wheat Council to continue the negotiations looking toward an international wheat agreement, also accepted a proposal made by the chairman of the United States Delegation to the Conference, Leslie A. Wheeler, who is also Chairman of the Council, that membership in the Council be expanded to include all countries represented at the Conference which were not members of the Council.

Invitations to attend the Conference were sent by the Government of the United Kingdom to all countries that are members of the United

Nations or of the Food and Agriculture Organization. Forty-one countries accepted the invitation and were represented either by delegates or observers. These included all thirteen of the countries that were members of the Council prior to the Conference. Twenty-eight additional countries are therefore being invited to become members of the Council. These are: Austria, Bulgaria, Colombia, Cuba, Czechoslovakia, the Dominican Republic, Egypt, Ethiopia, Greece, Guatemala, Hungary, Iran, Ireland, Lebanon, Luxembourg, Mexico, New Zealand, Norway, Peru, Poland, Portugal, Rumania, Sweden, Switzerland, Syria, Turkey, Uruguay, and Yugoslavia.

As an outgrowth of the International Monetary and Economic Conference of 1933, the first multi-lateral wheat agreement was signed in London in 1933. The central feature of this agreement was a set of export quotas, but the agreement was ineffective in halting a serious decline in wheat prices that was already in progress. This agreement ran for its initial two-year period and was then allowed to expire. The Wheat Advisory Committee created under it was nevertheless continued into the 1940's. In 1939 the task of drafting a comprehensive wheat agreement was assigned by the Wheat Advisory Committee to a preparatory committee consisting of representatives of Argentina, Australia, Canada, France, Germany, Hungary, Rumania, the Union of Soviet Socialist Republics, the United Kingdom, and the United States, but the work of this committee was interrupted by the war.

In July 1941, however, the representatives of Argentina, Australia, Canada, the United Kingdom, and the United States met in Washington in a further attempt to negotiate a wheat agreement. It was as a result of these discussions that the memorandum of agreement referred to earlier was initialed on April 22, 1942, and went into effect on June 27, 1942. The Washington Wheat Meeting was unable to negotiate a full-fledged wheat agreement. The memorandum of agreement contained those points on which agreement was reached. To this memorandum there was attached a draft convention which was to be the agenda for a postwar conference on wheat, and certain provisions of which were to be placed in effect in the meantime in accordance with the provisions of the memorandum of agreement. Under this arrangement an International Wheat Council was established to administer those provisions of the draft convention which were placed provisionally in effect among the five countries in accordance with the terms of the memorandum of agreement.

The United States Delegation to the Conference was comprised of five delegates and a delegation secretary.<sup>1</sup> The Conference had two main committees: Committee 1, dealing with those provisions of the proposed agreement involving major matters of policy, such as quotas, prices, et cetera; and Committee 2, dealing with those provisions of the agreement involving organizational and administrative questions. Sir Gerard Clauson of the United Kingdom Delegation was elected chairman of the Conference and of Committee 1. Mr. Wheeler and Mr. Cale of the United States Delegation were elected, respectively, vice chairman of the Conference and chairman of Committee 2.

The Conference adjourned on April 3 for the Easter holidays and reassembled on April 14. Prior to the recess the two committees had prepared drafts of those portions of the agreement with which they were concerned and had submitted them to the full Conference with an indication of those provisions on which agreement had been reached in the committees and those on which agreement remained to be reached. In executive sessions of the full Conference just prior to the

recess, agreement was reached on a number of the provisions which had been left undecided by the committees, and attention was focused on the major points which remained unresolved. The Easter holiday recess afforded the various delegations an opportunity to discuss these with their governments. The two committees mentioned above did not function after the recess.

The annotated agenda of the Conference in London was a memorandum on a proposed international wheat agreement prepared by the Council. This memorandum was based on the 1942 draft convention but differed from it in a number of respects, having been prepared in the light of more recent developments in the field of international commodity policy.<sup>2</sup> For example, the memorandum contained a provision which follows a principle laid down in the ITO draft charter to the effect that exporting countries as a group and importing countries as a group shall have an equal voice in the body administering an international commodity agreement. The memorandum also contained a provision which was not in the draft convention, under which exporting countries might, under certain conditions, sell wheat at special prices to importing countries which agreed to use it in connection with special nutritional programs. This provision was recommended by the FAO Preparatory Commission To Study World Food Board Proposals, which met in Washington for approximately three months beginning on October 28, 1946.

The memorandum was published by the Council on February 19, 1947, in order that the governments which planned to send delegations to the Conference might have a fuller opportunity of obtaining the reactions of individuals and groups that would be affected by the agreement before instructions were prepared for their delegations. The memorandum envisioned a wheat agreement which would have established minimum and maximum prices at which wheat would have been permitted to move in international trade. When actual prices fell to within a certain distance of the minimum price, export quotas might have been placed in effect by the exporting countries. When actual prices approached the maximum price, supplies might have been allocated among importing countries. Export quotas and import allocations would accordingly have been devices which would have kept actual prices, respectively, from falling

<sup>1</sup> For members of the U. S. Delegation, see *BULLETIN* of Mar. 23, 1947, p. 532. An additional delegate, not listed, was Leroy K. Smith, Department of Agriculture.

<sup>2</sup> For an article on the draft memorandum, see *BULLETIN* of Mar. 16, 1947, p. 471.

below the minimum price or rising above the maximum price. Importing countries would have been expected to give assurance that they would continue to import substantial quantities of wheat by undertaking either to purchase a certain quantity of wheat during the life of the agreement, or to restrict domestic wheat production, or to limit government incentives to the production of wheat.

The draft agreement prepared by the Conference in London differed considerably from the agreement envisioned in the Wheat Council's memorandum. The draft agreement is essentially a multilateral bulk-purchase contract. Under it signatory exporting countries would guarantee to supply signatory importing countries, as a group, with specified annual quantities of wheat during the life of the agreement at a maximum price, and importing countries would guarantee to purchase specified annual quantities of wheat during the life of the agreement from the exporting countries, as a group, at a minimum price. The total quantity of wheat which the exporting countries would have guaranteed to supply to the importing countries during any year and the total quantity of wheat which the importing countries would have guaranteed to purchase from the exporting countries would have had to be the same. The exporting countries could have been called upon by the importing countries to deliver wheat only at the maximum price. The importing countries could have been called upon by the exporting countries to purchase wheat only at the minimum price. Transactions in wheat over and above the guaranteed quantities would not have been subject to the terms of the agreement.

Early in the Conference the Argentine representative indicated that his Government was not prepared to accept the provision under which a maximum price would have been established for Argentine wheat. It was only after this development that consideration was given by the Conference to an agreement which would not regulate all the transactions in wheat between the signatory countries. In the course of the subsequent discussions at the Conference the remaining principal exporting countries—the United States, Canada, and Australia—indicated that they were prepared together to guarantee the export of 500 million bushels of wheat to the importing countries which would sign the agreement. The proposed guaranteed export of the United States, as

indicated by the United States Delegation, was 185 million bushels. The importing countries put in guaranteed quantities which would have substantially exceeded 500 million bushels, especially during the early years of the agreement. If the agreement had been consummated with the guaranteed import quantities exceeding the guaranteed export quantities, it would have been left to the new International Wheat Council, which would have been established by the agreement, to devise a way of equating the two quantities in accordance with provisions that would have been contained in the agreement.

With respect to prices, the draft provided a maximum price of \$1.80 for the first year, \$1.70 for the second year, and \$1.80 for the last three years of a five-year agreement; and it provided for a minimum price of \$1.40 for the first year, \$1.30 for the second year, \$1.20 for the third year, \$1.10 for the fourth year, and \$1.00 for the last year. These would have been the prices applicable to the basic grade of wheat, no. 1 Manitoba Northern wheat at Fort William, Canada. The prices of other grades of wheat at other locations would have been established by adding or subtracting differentials based on cost elements such as transportation and quality differences.

The draft agreement was given to the press at the time of the final plenary session of the Conference. That session, which was open to the public, indicated why it was not possible to consummate the agreement during the Conference. Substantial agreement was reached on all of the provisions of the draft except those relating to prices. During the final plenary session the United Kingdom Delegation stated that it was not prepared to accept the price provisions of the agreement. The Canadian member then objected to having the agreement prepared for signature in view of the fact that not all the countries which he regarded essential to the successful operation of the agreement were willing to participate on the basis of the prices contained in the draft.

It was indicated, however, in the final plenary session that some of the delegations had reservations on points other than price. For example, the Indian Delegation stated that it did not feel that the draft made adequate provision to assure it supplies of wheat that are needed to replace rice until India's rice exports could be brought up to a prewar normal level or to establish a satisfac-

tory form of allocation of wheat according to need in time of shortage and during the continuance of the world supply emergency. The French Delegation expressed the opinion that the Conference had not succeeded in achieving the objectives at which it aimed. It felt that the draft instead of being "an agreement among producers" was a "commercial agreement, which is quite different".

It is therefore possible that the Wheat Council, in its efforts to bring the work of the Conference in London to fruition, will have to give consideration not only to the question of price but also to such other matters as the extent to which need, rather than commercial considerations, should influence the pattern of wheat distribution during periods of scarcity and the possibility of expanding the agreement to make it something more than a contract to buy or sell wheat.

In addition to asking the existing International Wheat Council to continue the negotiations looking toward an international wheat agreement, the Conference transmitted to the Council two resolutions which it had prepared but on which it took no formal action. One of these would have invited the Council to assemble a Technical Commission to determine in the currencies of the exporting countries concerned the equivalent maximum and minimum prices for no. 1 Manitoba Northern wheat in store Vancouver, for f.a.q. bulk wheat, f.o.b. Australia, and for no. 1 Dark Northern Spring wheat (ordinary protein) in store Duluth in respect of the following prices for no. 1 Manitoba Northern wheat in store Fort William-Port Arthur—\$1.80, \$1.70, \$1.40, and \$1.30 a bushel. The setting up of the Technical Commission was made necessary because the Conference had not worked out these equivalent prices.

The other draft resolution would have provided that so long as wheat is in short supply importing countries should agree not to buy from any source quantities of wheat or substitute grains suitable

for direct human consumption in excess of their guaranteed quantities in the proposed agreement, except to the extent that the International Emergency Food Council or any successor organization has recommended that they should receive larger quantities, it would also have provided that the exporting countries should agree not to sell to any country a quantity of wheat or substitute grains which would cause it to receive more than its guaranteed quantity, unless that country is free to do so for the reasons stated in the first part of the resolution. The purpose of this resolution was to prevent importing countries from supplementing the amount of wheat which they would be assured under the agreement by purchases outside the agreement if the effect of such purchases would increase their total consumption of wheat or substitute grains above the allocations recommended by the International Emergency Food Council. In the absence of such a provision it would have been possible for an importing country with an assured source of supply under the agreement to buy additional wheat outside the agreement during the present period of shortage to such an extent as to render ineffective the cereals allocations recommended by the Cereals Committee of the International Emergency Food Council.

The International Wheat Council has recently issued invitations through the Department of State to the 28 countries which the Conference recommended should be invited to become members of the Council. The first step toward carrying out the decisions of the Conference has therefore been taken. In transmitting the invitation, the Department of State said that it had been requested to advise the invited governments that the chairman of the Council would convene its next session as soon as he had been informed that substantial progress had been made in the discussions between certain of the governments concerned on those provisions of article VI (prices) upon which they had not been able to agree at the Conference.



# Text of Proposed International Wheat Agreement

## *Preamble*

The Governments on whose behalf this Agreement has been signed,

Recognizing that there is now a serious shortage of wheat, and that there may later be a serious surplus;

Believing that both the excessively high prices resulting from the present shortage and the excessively low prices which would result from a future surplus are harmful to their long-term interests, whether they are producers or consumers of wheat; and

Concluding therefore that their own immediate interests, and the general interest of all countries of the world in economic expansion, both require that they should cooperate with one another to bring some order into the international wheat market,

Have agreed as follows:

## **Chapter I (Objectives)**

### *Article I (Objectives)*

The objectives of this Agreement are to assure supplies of wheat to importing countries and to assure markets to exporting countries at equitable and stable prices.

## **Chapter II (Provisions Relating to the Trade in Wheat)**

### *Article II (Import and Export Rights and Obligations)*

1. The quantity of wheat set down in Annex I to this Article against the name of each importing country shall be called that country's "guaranteed import quantity" and shall represent the quantity of wheat which the International Wheat Council provided for in Article XIV:

(a) may, in accordance with the provisions of paragraph 2 of Article IV, require that country to purchase at the minimum prices specified in or determined under the provisions of Article VI for shipment during each wheat year from the exporting countries; or

(b) may, in accordance with the provisions of

paragraph 1 of Article IV, require the exporting countries to sell to that country at the maximum prices specified in or determined under the provisions of Article VI for shipment during each wheat year.

2. The quantity of wheat set down in Annex II to this Article against the name of each exporting country shall be called that country's "guaranteed export quantity" and shall represent the quantity of wheat which the Council:

(a) may, in accordance with the provisions of paragraph 1 of Article IV, require that country to sell at the maximum prices specified in or determined under the provisions of Article VI for shipment during each wheat year to the importing country; or

(b) may, in accordance with the provisions of paragraph 2 of Article IV, require the importing countries to purchase from that country at the minimum prices specified in or determined under the provisions of Article VI for shipment during each wheat year.

3. The Council shall at its first meeting compare Annexes I and II and make such adjustments as will make the totals of the two Annexes equal to one another. Such adjustments shall, if possible, be made by agreement with the countries concerned. If all adjustments which can be made by agreement have been made and the total of Annex I is still in excess of the total of Annex II, the Council shall adjust one or more individual guaranteed quantities in Annex I so as to make the totals of the two Annexes equal to one another. In adjusting individual guaranteed quantities for this purpose the Council shall take into account the obligations which the individual importing countries are prepared to accept in respect of their guaranteed quantities in the subsequent years of the Agreement. If all adjustments which can be made by agreement have been made and the total of Annex II is still in excess of the total of Annex I, the Council shall reduce each figure in Annex II by the same proportion, unless the exporting countries concerned agree otherwise.

4. The Council may at any meeting approve an increase in any figure or figures in either Annex if an equal increase is simultaneously made in a figure or figures in the other Annex.

# ANNEX I TO ARTICLE II (IMPORT AND EXPORT RIGHTS AND OBLIGATIONS)

## *Provisional Guaranteed Import Quantities*

[Thousands of bushels\*]

August-July . . . . .	1947/48	1948/49	1949/50	1950/51	1951/52
Austria . . . . .	23, 883	23, 883	20, 209	16, 534	.....
Belgium . . . . .	31, 232	31, 232	31, 232	31, 232	.....
Brazil . . . . .	36, 743	36, 743	36, 743	36, 743	.....
China . . . . .	20, 000	18, 000	15, 000	11, 000	.....
Colombia . . . . .	2, 572	.....	.....	.....	.....
Cuba . . . . .	9, 186	9, 186	9, 186	9, 186	9, 186
Czechoslovakia . . . . .	4, 409	4, 409	4, 409	4, 409	.....
Dominican Republic . . . . .	839	839	992	992	992
Egypt . . . . .	9, 186	9, 186	9, 186	9, 186	.....
French Union . . . . .	44, 091	22, 045	18, 372	18, 372	.....
Greece . . . . .	16, 535	16, 535	16, 535	16, 535	.....
India . . . . .	56, 015	28, 007	28, 007	28, 007	.....
Ireland . . . . .	14, 881	14, 881	14, 881	14, 881	.....
Italy . . . . .	40, 417	40, 417	40, 417	40, 417	.....
Lebanon . . . . .	5, 144	5, 144	5, 144	5, 144	.....
Mexico . . . . .	16, 535	16, 535	16, 535	16, 535	16, 535
Netherlands . . . . .	29, 394	29, 394	29, 394	29, 394	.....
New Zealand . . . . .	6, 000	6, 000	6, 000	6, 000	.....
Norway . . . . .	7, 532	7, 532	7, 532	7, 532	.....
Peru . . . . .	4, 409	4, 409	4, 409	4, 409	4, 409
Portugal . . . . .	9, 186	9, 186	9, 186	9, 186	.....
Switzerland . . . . .	14, 697	14, 697	14, 697	14, 697	14, 697
United Kingdom . . . . .	190, 000	190, 000	190, 000	190, 000	.....
TOTAL . . . . .	592, 886	538, 260	528, 066	520, 391	45, 819

[Hundreds of metric tons\*]

August-July . . . . .	1947/48	1948/49	1949/50	1950/51	1951/52
Austria . . . . .	6, 500	6, 500	5, 500	4, 500	.....
Belgium . . . . .	8, 500	8, 500	8, 500	8, 500	.....
Brazil . . . . .	10, 000	10, 000	10, 000	10, 000	.....
China . . . . .	5, 443	4, 899	4, 082	2, 991	.....
Colombia . . . . .	700	.....	.....	.....	.....
Cuba . . . . .	2, 500	2, 500	2, 500	2, 500	2, 500
Czechoslovakia . . . . .	1, 200	1, 200	1, 200	1, 200	.....
Dominican Republic . . . . .	228	228	270	270	270
Egypt . . . . .	2, 500	2, 500	2, 500	2, 500	.....
French Union . . . . .	12, 000	6, 000	5, 000	5, 000	.....
Greece . . . . .	4, 500	4, 500	4, 500	4, 500	.....
India . . . . .	15, 245	7, 623	7, 623	7, 623	.....
Ireland . . . . .	4, 050	4, 050	4, 050	4, 050	.....
Italy . . . . .	11, 000	11, 000	11, 000	11, 000	.....
Lebanon . . . . .	1, 400	1, 400	1, 400	1, 400	.....
Mexico . . . . .	4, 500	4, 500	4, 500	4, 500	4, 500
Netherlands . . . . .	8, 000	8, 000	8, 000	8, 000	.....
New Zealand . . . . .	1, 633	1, 633	1, 633	1, 633	.....
Norway . . . . .	2, 050	2, 050	2, 050	2, 050	.....
Peru . . . . .	1, 200	1, 200	1, 200	1, 200	1, 200
Portugal . . . . .	2, 500	2, 500	2, 500	2, 500	.....
Switzerland . . . . .	4, 000	4, 000	4, 000	4, 000	4, 000
United Kingdom . . . . .	51, 710	51, 710	51, 710	51, 710	.....
TOTAL . . . . .	161, 359	146, 493	143, 718	141, 627	12, 470

\*Including wheat-flour in terms of wheat computed at 72 pounds of flour to 100 pounds of wheat.

# ANNEX II TO ARTICLE II (IMPORT AND EXPORT RIGHTS AND OBLIGATIONS)

## *Provisional Guaranteed Export Quantities*

[Thousands of bushels\*]

August-July . . . . .	1947/48	1948/49	1949/50	1950/51	1951/52
Australia . . . . .	85, 000	85, 000	85, 000	85, 000	85, 000
Canada . . . . .	230, 000	230, 000	230, 000	230, 000	230, 000
United States of America . . . . .	185, 000	185, 000	185, 000	185, 000	185, 000
TOTAL . . . . .	500, 000	500, 000	500, 000	500, 000	500, 000

[Hundreds of metric tons\*]

August-July . . . . .	1947/48	1948/49	1949/50	1950/51	1951/52
Australia . . . . .	23, 133	23, 133	23, 133	23, 133	23, 133
Canada . . . . .	62, 597	62, 597	62, 597	62, 597	62, 597
United States of America . . . . .	50, 350	50, 350	50, 350	50, 350	50, 350
TOTAL . . . . .	136, 080	136, 080	136, 080	136, 080	136, 080

\*Including wheat-flour in terms of wheat computed at 72 pounds of flour to 100 pounds of wheat.

## *Article III (Reports to the Council)*

1. The importing and exporting countries undertake to report to the Council all imports and purchases for import of wheat into their territories and all exports and sales for export from their territories giving in respect of each transaction such information as the Council may request.

2. The Council shall keep a record of all such transactions in wheat. It shall also keep a separate record of those transactions in wheat which are to count towards the guaranteed quantities set down in Annexes I and II to Article II. The difference between the guaranteed quantity of each country and the quantity recorded by the Council as counting towards it shall be called the unfilled guaranteed quantity of that country.

3. The Council shall record as counting towards the guaranteed quantity of both the importing and the exporting country for the current wheat year any transaction or part of a transaction in wheat between an exporting and an importing country if:

(a) the transaction is at a price not higher than the maximum nor lower than the minimum specified in or determined under the provisions of Article VI; and

(b) the transaction or part of the transaction so recorded has resulted, or in the opinion of the Council will result, in the shipment during the cur-

rent wheat year from the exporting country of the wheat contracted for; and

(c) the unfilled guaranteed quantities of both the exporting and the importing countries are not less than the transaction or part of the transaction so recorded.

4. The Council shall also record as counting towards the guaranteed quantities of both exporting and importing countries those transactions which are carried out in accordance with Article IV.

5. If both the importing and the exporting country concerned in a particular transaction in wheat-flour inform the Council that they are agreed that the price fixed for the transaction is not higher than the equivalent maximum price for wheat nor lower than the equivalent minimum price for wheat specified in or determined under the provisions of Article VI, the transaction shall be counted by the Council towards the guaranteed quantities of both the countries if the other conditions laid down in this Article are fulfilled.

6. The Council shall circulate to each Delegate, and may publish, a monthly statement of the unfilled guaranteed quantity of each exporting and importing country.

7. Each contracting Government shall supply such other information as the Council may from time to time request in connection with the administration of this Agreement.

#### *Article IV (Enforcement of Rights)*

1. Any importing country which at any time finds difficulty in purchasing its guaranteed quantity at a price within the price ranges specified in or determined under the provisions of Article VI may request the Council's help in securing the desired supplies. Within three days of the receipt of such a request the Secretary of the Council shall notify all exporting countries which have unfilled guaranteed quantities of the request and of the size of the importing country's unfilled guaranteed quantity, and invite them to offer the necessary quantity of wheat at or below the maximum price. If within fourteen days of this notification by the Council the necessary quantity of wheat has not been offered, the Council, having regard to all the circumstances of the case, shall as soon as possible and in any event within seven days indicate the quantities of wheat and wheat-flour respectively which it is appro-

priate for each or any of the exporting countries to sell, and the country or countries so indicated shall within one calendar month of the Council's decision make the quantities so indicated available at the appropriate maximum price.

2. Any exporting country which at any time finds difficulty in selling its guaranteed quantity within the price ranges specified in or determined under the provisions of Article VI may request the Council's help in effecting the desired sales. Within three days of the receipt of such a request the Secretary of the Council shall notify all importing countries which have unfilled guaranteed quantities of the request and of the size of the exporting country's unfilled guaranteed quantity, and invite them to purchase the necessary quantity of wheat at or above the minimum price. If within fourteen days of this notification by the Council the necessary quantity of wheat has not been purchased, the Council, having regard to all the circumstances of the case, shall as soon as possible and in any event within seven days indicate the quantities of wheat and wheat-flour respectively which it is appropriate for each or any of the importing countries to purchase and the country or countries so indicated shall, within one calendar month of the Council's decision, purchase for shipment the quantities so indicated at the appropriate minimum price.

3. Importing and exporting countries shall carry out their obligations under this Article on the same conditions regarding the currency or manner in which payment is to be made or received as apply to their imports or exports of other commodities.

#### *Article V (Adjustment of Obligations)*

1. Any contracting Government which fears that it may be prevented by circumstances, such as a short crop or the necessity to safeguard its balance of payments or monetary reserves, from carrying out its obligations shall report the matter to the Council.

2. Where difficulties with respect to the balance of payments and monetary reserves are invoked the Council shall seek and take into account, together with all other relevant facts, the opinion of the International Monetary Fund as to the existence and the extent of such difficulties.

3. The Council shall discuss the matter with the country concerned and if the Council finds that

the country's representations are well-founded it shall so rule, and if no other mutually acceptable remedy can be found the Council shall, in the first instance, if the reporting country is an importing country, invite the other importing countries, and, if it is an exporting country, invite the other exporting countries, to assume the obligations which cannot be fulfilled. If the difficulty cannot be solved in this way, the Council shall invite the exporting countries, if the reporting country is an importing country, or the importing countries, if the reporting country is an exporting country, to consider whether any one or more of them can assist the reporting country to fulfil its obligations or, failing that, accept a reduction in its or their guaranteed quantities for the current wheat year corresponding to the obligations which cannot be fulfilled.

4. A country which is relieved of its obligations by the procedure set out in the preceding paragraph shall not be deemed to have committed a breach of this Agreement.

5. If the reporting country cannot be assisted by the procedure set out in paragraph 3 of this Article and it is apparent to the Council that it will not carry out its obligations, the following procedure shall be adopted. If the reporting country is an exporting country, the Council shall forthwith reduce the total of the guaranteed quantities in Annex I for the current wheat year to an amount equal to the total of the guaranteed quantities which will remain in Annex II for the current wheat year after account has been taken of the prospective failure of one of the countries to carry out its obligations. In adjusting individual quantities in Annex I for this purpose the Council shall take into account the obligations which the individual importing countries are prepared to accept in respect of their guaranteed quantities in the subsequent years of this Agreement. If the reporting country is an importing country, the Council shall reduce the total of the guaranteed quantities in Annex II for the current wheat year to an amount equal to the total of the guaranteed quantities which will remain in Annex I for the current wheat year after account has been taken of the prospective failure of one of the countries to carry out its obligations. In adjusting individual quantities in Annex II for this purpose each figure in the Annex shall be reduced by the

same proportion, unless the exporting countries concerned agree otherwise.

#### *Article VI (Prices)*

1. The basic minimum and maximum prices for the duration of this Agreement shall be \$1.00 and \$1.80 Canadian currency per bushel at the parity for the Canadian dollar ruling on 1st April 1947 for No. 1 Manitoba Northern Wheat in store Fort William-Port Arthur. These basic prices shall be effective at all times when no other minimum and maximum prices have been prescribed as provided in this Article.

2. The minimum and maximum prices for the 1947/48 and 1948/49 wheat years respectively shall be \$1.40 and \$1.80 and \$1.30 and \$1.70 Canadian currency per bushel at the parity for the Canadian dollar ruling on 1st April 1947 for No. 1 Manitoba Northern wheat in store Fort William-Port Arthur.

3. The minimum prices for the 1949/50 and 1950/51 wheat years respectively shall be not less than \$1.20 and \$1.10 Canadian currency per bushel at the parity for the Canadian dollar ruling on 1st April 1947 for No. 1 Manitoba Northern wheat in store Fort William-Port Arthur.

4. The equivalent minimum and maximum prices for the 1947/48 and 1948/49 wheat years for:

(a) No. 1 Manitoba Northern wheat in store Vancouver;

(b) faq bulk wheat fob Australia; and

(c) No. 1 Dark Northern Spring wheat (ordinary protein) in store Duluth; shall be those minimum and maximum prices agreed between the Governments concerned.

5. The Council shall hold a special meeting in July 1949 and in July of each subsequent year for the purpose of examining all the facts and circumstances which it may consider relevant, including in particular the recent trend of wheat prices in transactions between importing and exporting countries, the present and prospective wheat supply and requirements situation, and the general level of prices, and may, if it so decides by a two-thirds majority of the votes of both importing and exporting countries voting separately, determine minimum and maximum prices for the ensuing wheat year;

Provided that the minimum prices so deter-

mined shall be not less than the minimum prices otherwise provided for in this Article nor the maximum prices greater than the basic maximum price.

6. The Executive Committee, elected in accordance with the provisions of Article XVII, may at any date subsequent to 1st August 1947 designate any other description of wheat and determine the minimum and maximum prices for it in consultation with the Governments concerned; such prices shall be fair equivalents of the minimum and maximum prices of the description of wheat named in this Article which is most closely comparable to the description of wheat so designated.

7. In the case of any other description of wheat, the minimum and maximum prices for the time being shall be derived from the minimum and maximum prices of the description of wheat named in this Article or subsequently designated by the Executive Committee which is most closely comparable to such other descriptions by the addition of an appropriate premium or by the deduction of an appropriate discount.

8. The Executive Committee if at any time it considers, or if it receives representations, that the prices agreed under the procedure set out in paragraph 4 of this Article or any prices determined under the procedure set out in paragraphs 6 and 7 of this Article are no longer, in the light of current freight or exchange rates or market premiums or discounts, fair equivalents of the prices specified in paragraph 2 or determined under the provisions of paragraph 5 of this Article, may adjust them accordingly.

9. The Executive Committee shall determine the appropriate premium or discount in the event of a dispute arising regarding a description of wheat falling under the provisions of paragraph 7 of this Article.

10. All decisions of the Executive Committee shall be binding on all contracting Governments;

Provided that any contracting Government which considers that any such decision is disadvantageous to it may ask that a meeting of the Council be convened to review the matter.

11. Contracting Governments hereby undertake to accept as final the decisions of the Council under the provisions of this Article.

12. Subject to the provisions of paragraph 3 of Article IV, nothing in this Article shall prejudice

any Foreign Exchange Control regulation or requirement in force in an exporting country as to the currency in which payment shall be received for wheat.

#### *Article VII (Additional Supplies of Wheat)*

If any contracting Governments desire to obtain supplies of wheat other than guaranteed quantities, the Council shall assist such countries to obtain the quantities which they desire from the exporting countries on equitable terms and conditions.

#### *Article VIII (Sales for Nutritional Programs)*

Any exporting country may export wheat at special prices in such quantities and for such periods and under such conditions as may be approved by the Council, but the Council shall not give its approval unless it is satisfied that the full commercial demand of the importing countries will be met throughout the period in question at not more than the minimum price. Such exports of wheat shall be utilized in nutritional programs approved by the Food and Agriculture Organization. The rights and obligations of the contracting Governments under the other provisions of this Agreement shall not be modified by virtue of such exports at special prices.

#### *Article IX (Stocks)*

1. The exporting countries shall ensure that stocks of old wheat held at the end of their respective crop-years (excluding price stabilization reserves) are not less than the quantities specified in the Annex to this Article;

Provided that stocks of old wheat in any country may be permitted to fall below the minimum so specified if the Council decides that this is necessary in order to provide the quantity of wheat needed to meet either the domestic requirements of the exporting countries or the import requirements of the importing countries.

2. The exporting and importing countries shall operate price stabilization reserves up to ten percent of their respective guaranteed quantities for each wheat year specified in the Annexes to Article II, subject to the following conditions;

(a) the total of the price stabilization reserves operated by the exporting countries shall so far as possible be equal to the total of the price stabilization reserves operated by the importing countries,

unless the Council, in order to meet special circumstances of any particular exporting or importing country, should otherwise decide;

(b) such reserve shall be accumulated as soon and so long as free-market prices are below the basic minimum price and shall be sold or utilized as soon and so long as free-market prices are above the maximum price for the time being in force;

(c) such reserves shall be accumulated first by the exporting countries, and importing countries shall be required to fill their own reserves only upon request by an exporting country that has already filled its reserves; and when free-market prices are above the maximum for the time being in force, such importing countries may draw on their price stabilization reserves for their own requirements;

(d) importing countries, when called upon to fill their price stabilization reserves, shall purchase a quantity of wheat equal to the additional wheat required for this purpose from the exporting countries whether or not they use supplies of domestically produced wheat to fill these reserves; and

(e) contracting Governments shall have the right to claim a waiver of their obligations under this Article in so far as it is necessary to safeguard their balance of payments or monetary reserves.

#### ANNEX TO ARTICLE IX (STOCKS)

Country	Millions of Bushels
Australia	25*
Canada	70*
United States of America	170**

\*Excluding farm stocks

\*\*Including farm stocks

### Chapter III (General Provisions)

#### *Article X (Signature, Acceptance, and Entry into Force)*

1. This Agreement shall be open for signature in London forthwith, and shall remain open until 1st June 1947. It shall be subject to formal acceptance by the signatory Governments.

2. Governments at the time of signature shall indicate whether they become parties to this Agreement as importing or exporting countries by attaching their names to the appropriate Annex to Article II, together with a statement of the annual guaranteed quantity of wheat in respect of which they admit an obligation under that Article. At

the time of signature each signatory Government shall also set forth in the appropriate category in Article XII the territories to which this Agreement shall apply.

3. Acceptance shall be intimated by the deposit of an instrument of acceptance with the Government of the United Kingdom of Great Britain and Northern Ireland, which will notify the fact of each deposit of acceptance and the date thereof to the Governments on whose behalf the Agreement has been signed.

4. This Agreement shall come into force on 1st August 1947 as between the Governments which have deposited their instruments of acceptance before that date;

Provided that any such Government may on or before that date request the Government of the United Kingdom of Great Britain and Northern Ireland to summon forthwith a conference of all the Governments which have accepted the Agreement; and when such a conference is held any Government may notify its immediate withdrawal from the Agreement, if in its opinion the number of countries which have accepted the Agreement, or the guaranteed quantities stated in the Annexes to Article II, will not ensure its successful operation.

#### *Article XI (Accession)*

Any Government may accede to this Agreement with the unanimous approval of the Council and upon such conditions as the Council may lay down.

#### *Article XII (Territorial Application)*

The territories to which this Agreement applies are:

<i>Exporting countries</i>	<i>Importing countries</i>
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#### *Article XIII (Duration, Amendment, Withdrawal, Termination)*

1. This Agreement shall remain in force for a period of five years from the date of its entry into force.

2. The Council shall, not less than six months before the expiry of such period, communicate to the contracting Governments its recommendations regarding the renewal of this Agreement.

3. If at any time circumstances arise which, in the opinion of the Council, affect or threaten to affect adversely the operation of this Agreement, the Council may by two-thirds of the total votes

held by the Governments of importing countries and by two-thirds of the total votes held by the Governments of exporting countries recommend an amendment of this Agreement to the contracting Governments.

4. The Council may fix a time limit within which each contracting Government shall notify the Council whether or not it accepts the amendment. The amendment shall become effective upon its acceptance by importing countries which hold two-thirds of the votes of the importing countries, including the Government of the United Kingdom of Great Britain and Northern Ireland, and by the Governments of Australia, Canada, and the United States of America.

5. Any contracting Government which has not notified the Council of its acceptance of the amendment by the date on which it becomes effective may, after giving such notice as the Council may require in each case, withdraw from this Agreement at the end of the current wheat year, but shall not thereby be released from any obligations under this Agreement not discharged by the end of that wheat year.

6. Any contracting Government which considers its national security endangered by the outbreak of hostilities may withdraw from this Agreement upon the expiry of thirty days' written notice to the Council. In the event of such a withdrawal, the Council may recommend an amendment of this Agreement in accordance with the provisions of paragraph 3 of this Article.

#### **Chapter IV (Administration)**

##### *Article XIV (The Council)*

1. An International Wheat Council is hereby established. Each contracting Government, and any non-contracting Government for which a separate guaranteed quantity is specified in an Annex to Article II, shall be a member of the Council and may appoint one Delegate and one Alternate, who may be accompanied by such advisers as their Government deems necessary. The Food and Agriculture Organization and the International Trade Organization may each nominate to the Council one non-voting representative. Pending the establishment of the International Trade Organization, the Interim Co-ordinating Committee for International Commodity Arrangements established by the Economic and Social Council of the United Nations may nominate to the Council

one non-voting representative.

2. The Council shall meet at least once during each half of each wheat year and at such other times as the Chairman may determine.

3. The Chairman shall convene a meeting of the Council if so requested by (a) the Executive Committee; or (b) the Delegates of five contracting Governments; or (c) the Delegate or Delegates of any Government or Governments holding ten percent of the total votes; or (d) the Delegate of any country presenting a request in accordance with the provisions of paragraph 10 of Article VI.

4. The presence of Delegates holding at least 60 percent of the total votes shall be necessary to constitute a quorum at any meeting.

5. The Council shall appoint for such periods, and upon such terms and conditions as it may determine, a Chairman and a Vice-Chairman. The Chairman shall have no vote.

6. The Council shall appoint a Secretary and such staff as it considers necessary and shall determine their remuneration, powers, and duties. In selecting them and in fixing their terms and conditions of employment, the Council shall have regard to the practice of the specialized agencies of the United Nations.

7. The Council shall have legal capacity in the territory of each contracting Government to contract, to acquire, and to dispose of property, and otherwise to perform its functions under this Agreement.

8. The temporary seat of the Council shall be in London. The Council, in consultation with the appropriate organs and agencies of the United Nations, shall determine its permanent seat.

9. The Council shall establish rules of procedure.

##### *Article XV (Voting in the Council)*

1. The Delegates of the importing countries shall hold 1,000 votes, which shall be distributed between them for each wheat year in the proportions which the guaranteed import quantities of the countries have to the total of the guaranteed import quantities for that wheat year. The Delegates of the exporting countries shall also hold 1,000 votes, the distribution of which for each wheat year shall be agreed between them. Each Delegate shall have at least one vote and there shall be no fractional votes.



2. When an importing country accedes to this Agreement under the provisions of Article XI, or a guaranteed import quantity is increased in accordance with the provisions of paragraph 4 of Article II, the Council shall re-distribute the votes held by importing countries in accordance with the provisions of the preceding paragraph of this Article. An exporting country acceding to this Agreement under the provisions of Article XI shall agree with the other exporting countries the number of votes which it shall hold.

3. In the event of the withdrawal of an importing country under the provisions of Article XIII, or the suspension under the provisions of paragraph 5 of Article XVIII of the voting rights of an importing country, the Council shall re-distribute the votes held by importing countries in accordance with the provisions of paragraph 1 of this Article. In the event of the withdrawal of an exporting country under the provisions of Article XIII, or the suspension under the provisions of paragraph 5 of Article XVIII of the voting rights of an exporting country, the exporting countries shall agree the re-distribution of the votes held by them.

4. Except where otherwise specified in this Agreement, decisions of the Council shall be by a simple majority of the votes cast.

#### *Article XVI (The Powers and Functions of the Council)*

1. The Council shall perform the duties assigned to it under this Agreement and shall have such powers in addition to those expressly conferred on it thereunder as may be necessary to achieve its effective operation and to realize its objectives.

2. The Council shall not, except by unanimity of the votes cast, delegate the exercise of any of its powers or functions. The Council may at any time revoke such delegation by a simple majority vote.

3. Any dispute arising out of the interpretation of this Agreement, or regarding an alleged breach of its provisions, shall be referred to the Council. The Council may appoint a committee to ascertain and report on the facts of such dispute. The Council shall on the evidence before it, including the findings of any committee so appointed, give a ruling on the dispute but no contracting Government shall be found to have committed a breach of

this Agreement except by a majority of two-thirds of the votes held by the exporting countries and of two-thirds of the votes held by the importing countries.

4. The Council, after consultation with the Wheat Advisory Committee established under the Final Act of the Conference of Wheat Exporting and Importing Countries held in August 1933 and with the International Wheat Council established under the Memorandum of Agreement approved in June 1942 and amended in June 1946, may take over all assets and liabilities of those bodies.

5. The Council shall publish an annual report.

#### *Article XVII (Executive Committee)*

The Council shall elect annually an Executive Committee which shall work under its general direction and be responsible to it.

#### *Article XVIII (Finance)*

1. The expenses of Delegations to the Council and of the members of the Executive Committee shall be met by their respective Governments. All other expenses necessary for the administration of this Agreement, including those of the Secretariat, shall be met by annual contributions from the contracting Governments. The annual contribution of each Government shall be proportionate to the number of votes held by its Delegate for that wheat year.

2. At its first Session, the Council shall approve its budget for the period prior to 1st August 1948 and assess the contribution to be paid by each contracting Government for that period.

3. The Council shall at its first Session during the second half of each wheat year approve its budget for the following wheat year and assess the contribution to be paid by each contracting Government for that wheat year.

4. The initial contribution of any Government acceding to this Agreement after the first Session of the Council shall be assessed proportionately to the number of votes held by its Delegate and to the number of full months between its accession and the beginning of the first wheat year for which it is assessed under the provisions of paragraph 3 of this Article, but the assessments already made upon other Governments shall not be altered for the current wheat year.

5. Each contracting Government shall pay to the Secretary of the Council its full contribution



within six months of its assessment. Any contracting Government failing to pay its contribution within one year of its assessment shall forfeit its voting rights until its contribution is paid, but shall not be deprived of its other rights nor relieved of its obligations under this Agreement.

6. The Council shall publish an audited statement of all its receipts and expenditures during the period referred to in paragraph 2 of this Article and during each wheat year thereafter.

7. Each contracting Government shall give consideration to granting to the funds of the Council and to the salaries paid by the Council to its staff, treatment in its territory no less favourable than that granted by it to the funds of, and salaries paid by, other intergovernmental bodies of comparable status.

8. In the event of the termination of this Agreement, the Council shall provide for the settlement of its liabilities and the disposal of its assets.

#### *Article XIX (Relation to Other Agreements)*

1. So long as this Agreement remains in force, it shall prevail over any provisions inconsistent therewith which may be contained in any other agreement previously concluded between any of the contracting Governments;

Provided that if two contracting Governments both desire to maintain an agreement or part of an agreement concluded between them prior to 1st January 1947, the Council shall be notified accordingly and, if the Council finds that the interests of third parties are unaffected, the agreement may continue.

2. Should any contracting Government be party to an agreement with a non-contracting Government containing any provisions inconsistent with this Agreement that contracting Government shall at the earliest practicable date take all reasonable steps to achieve the necessary amendment.

#### *Article XX (Co-operation with Intergovernmental Organizations)*

1. The Council shall make whatever arrangements are required to ensure cooperation with the appropriate organs of the United Nations and its specialized agencies.

2. If the Council finds that any terms of this Agreement are materially inconsistent with such requirements as the United Nations through its appropriate organs and specialized agencies may

establish regarding inter-governmental commodity agreements, such inconsistency shall be deemed to be a circumstance affecting adversely the operation of the Agreement and the procedure prescribed in paragraphs 3, 4 and 5 of Article XIII shall be adopted.

#### *Article XXI (Languages)*

The English and French texts of this Agreement are equally authentic.

#### *Article XXII (Definitions)*

For the purposes of this Agreement:

“Bushel” means sixty pounds avoirdupois.

“Crop-year” means in respect of Australia, the period from 1st December to 30th November; in respect of Canada, the period from 1st August to 31st July; in respect of the United States of America, the period from 1st July to 30th June; and in respect of any other country such period as may be agreed between that country and the Council.

“Exporting country” means, as the context may require, either a Government which has accepted this Agreement as the Government of an exporting country or that country itself.

“Free-market prices” means the prices at which transactions other than those relating to guaranteed quantities take place between exporting and importing countries.

“Importing country” means, as the context may require, either a Government which has accepted this Agreement as the Government of an importing country or that country itself.

“International Trade Organization” means the specialized agency contemplated and so designated in the Report of the First Session of the Preparatory Committee of the United Nations Conference on Trade and Employment.

“Old wheat” means wheat harvested more than two months prior to the beginning of the current crop-year.

“Stocks” means the aggregate of the stocks of old wheat at the end of the crop-year held (a) in all elevators, warehouses, and mills; (b) in transit or at railroad sidings; (c) in the case of the United States of America, on farms; and (d) in the case of Canada, stocks of wheat of Canadian origin held in bond in the United States of America.

(Continued on page 1085)

# INTERNATIONAL ORGANIZATIONS AND CONFERENCES

## Calendar of Meetings<sup>1</sup>

### In Session as of May 25, 1947

		1946
Far Eastern Commission . . . . .	Washington . . . . .	Feb. 26
United Nations:		
Security Council . . . . .	Lake Success . . . . .	Mar. 25
Military Staff Committee . . . . .	Lake Success . . . . .	Mar. 25
Commission on Atomic Energy . . . . .	Lake Success . . . . .	June 14
		1947
Commission on Conventional Armaments . . . . .	Lake Success . . . . .	Mar. 24
Committee on Progressive Development and Codification of International Law.	Lake Success . . . . .	May 12
ECOSOC (Economic and Social Council):		
Fiscal Commission . . . . .	Lake Success . . . . .	May 19
Subcommission on Freedom of Information and of the Press . . . . .	Lake Success . . . . .	May 19
German External Property Negotiations (Safehaven):		1946
With Portugal . . . . .	Lisbon . . . . .	Sept. 3
With Spain. . . . .	Madrid . . . . .	Nov. 12
Inter-Allied Trade Board for Japan . . . . .	Washington . . . . .	Oct. 24
		1947
International Conference on Trade and Employment: Second Meeting of Preparatory Committee.	Geneva . . . . .	Apr. 10
ICAO (International Civil Aviation Organization): First Meeting of General Assembly.	Montreal . . . . .	May 6-27
Congress of the Universal Postal Union . . . . .	Paris . . . . .	May 7
CITEJA (International Technical Committee of Aerial Legal Experts): 16th Session.	Montreal . . . . .	May 10
Council of Foreign Ministers: Commission To Examine Disagreed Questions of the Austrian Treaty.	Vienna . . . . .	May 12
FAO (Food and Agriculture Organization): Rice Study Group . . . . .	Trivandrum, Travancore, India.	May 15
International Radio Conference . . . . .	Atlantic City . . . . .	May 15
PMCC (Provisional Maritime Consultative Council) . . . . .	Paris . . . . .	May 16-19

### Scheduled for May-July 1947

FAO (Food and Agriculture Organization):		
Subcommittee on Plant and Animal Stocks . . . . .	Washington . . . . .	May 26-30
Executive Committee . . . . .	Washington . . . . .	June 2
Panel on Soil Erosion Control . . . . .	Washington . . . . .	June or July
IEFC (International Emergency Food Council): Fourth Meeting . . . . .	Washington . . . . .	May 26-27
United Nations:		
Economic Commission for Europe:		
Transport Session . . . . .	Geneva . . . . .	May 27
Second Session . . . . .	Geneva . . . . .	July 5
Special Committee on Palestine . . . . .	Lake Success . . . . .	May 26
ECOSOC (Economic and Social Council):		
Economic and Employment Commission . . . . .	Lake Success . . . . .	June 2
Human Rights Drafting Committee. . . . .	Lake Success . . . . .	June 9

<sup>1</sup> Prepared by the Division of International Conferences, Department of State.

## Calendar of Meetings—Continued

		1947
United Nations: ECOSOC—Continued		
Fifth Session . . . . .	Lake Success . . . . .	July 19
Narcotic Drugs Commission . . . . .	Lake Success . . . . .	July 24 <sup>2</sup>
Economic Commission for Asia and the Far East:		
First Session . . . . .	Shanghai . . . . .	June 16
Committee of the Whole . . . . .	Lake Success . . . . .	July 7
Preparatory Conference of Experts on Telecommunications . . . .	Lake Success . . . . .	June 16
German External Property Negotiations With Turkey (Safehaven) .	Ankara . . . . .	May 28 <sup>2</sup>
Eleventh International Congress of Military Medicine and Pharmacy .	Basel . . . . .	June 2-7
Royal Sanitary Institute: 51st Congress . . . . .	Torquay, England . . . . .	June 2-6
ECITO (European Central Inland Transport Organization): Seventh Session of the Council (Second Part).	Paris . . . . .	June 3
International Cotton Advisory Committee: Sixth Meeting . . . . .	Washington . . . . .	June 9
ILO (International Labor Organization):		
102d Session of Governing Body . . . . .	Geneva . . . . .	June 13-17
30th Session of International Labor Conference . . . . .	Geneva . . . . .	June 19
Permanent Agricultural Committee . . . . .	Geneva . . . . .	July
IRO (International Refugee Organization): Second Session of Preparatory Commission.	Geneva <sup>2</sup> . . . . .	June 16
ICAO (International Civil Aviation Organization):		
South American Regional Air Navigation Meeting . . . . .	Lima . . . . .	June 17
South Atlantic Regional Air Navigation Meeting . . . . .	Rio de Janeiro . . . . .	July 15
Caribbean Commission: Fourth Meeting . . . . .	Jamaica . . . . .	June 23-28
International Congress of River Transportation . . . . .	Paris . . . . .	June 26-28
IARA (Inter-Allied Reparation Agency): Meeting on Conflicting Custodial Claims.	Brussels . . . . .	June
UNRRA Council: Seventh Session . . . . .	Washington . . . . .	June
International Sugar Council . . . . .	London . . . . .	June or July
International Telecommunications Plenipotentiary Conference . . .	Atlantic City . . . . .	July 1
International Council of Scientific Unions: Executive Committee . .	Paris . . . . .	July 1-2
International Rubber Study Group . . . . .	Paris . . . . .	July 1
Fourth International Congress of Administrative Sciences . . . . .	Bern . . . . .	July 20-27
UNESCO Executive Board . . . . .	Paris . . . . .	July

<sup>2</sup> Tentative.

## Activities and Developments »

### THE SOURCES OF JAPANESE IMPORTS <sup>1</sup>

1. The primary objective in selecting the sources of imports into Japan should be to minimize the cost and difficulty of procurement. Factors to be

<sup>1</sup>Policy decision approved by the Far Eastern Commission on May 8, 1947, and released to the press on May 20. A directive based upon this decision has been forwarded to the Supreme Commander for the Allied Powers for implementation.

taken into account are price, terms of purchase other than price, and assurance of meeting scheduled requirements.

2. In determining the sources of imports into Japan of commodities in world short supply, due consideration should be given to the needs of countries other than Japan in addition to the factors mentioned in paragraph 1.

3. In procurement of commodities in world surplus or in procurement of any commodity whose export to Japan is of substantial commercial importance to a member of the United Nations, while primary consideration should be given to the objectives outlined in paragraph 1 above, consideration should also be given to such other relevant factors as the interests of all members of the United Nations, including any new trade situations or demands arising in postwar circumstances and prewar patterns of trade, so long as the prewar patterns of trade reflect current economic interests of the countries concerned. Taking into account the foregoing principles the Inter-Allied Trade Board may recommend individual treatment for different types of imports.

4. This statement of policy will in no way be permitted to jeopardize the fulfillment of United States responsibilities for the prevention of such widespread disease or civil unrest as would endanger the occupying forces or interfere with military operations.

#### THE DESTINATION OF JAPANESE EXPORTS<sup>1</sup>

1. The primary objective in selecting the destinations of exports from Japan, subject to paragraphs 3 and 4, is to maximize the proceeds. Factors to be taken into account are price, the purchasing power of the currency for which the commodity is sold, and the availability of necessary imports which can be procured with the proceeds of the export.

2. Commercial exports as distinct from commodity movements on reparations account or restitutions shall be made only to those recipients

who agree to provide imports necessary for Japan in exchange or agree to pay for Japanese exports in foreign exchange usable for procuring necessary imports. Foreign exchange is considered usable under any of the following circumstances:

(a) Freely convertible into currencies which can be used for the purpose of procuring necessary imports.

(b) Inconvertible, but usable to pay for imports already or concurrently purchased, but not paid for.

(c) Inconvertible, but stable in value and subject to a specific agreement with the area within which the currency is valid—subject to the condition that excess balances of the currency in question arising from sale of Japanese exports, not usable for purchase of imports within a reasonable time period, will be made convertible into dollars.

3. In determining the destination of exports from Japan of commodities in world short supply or commodities, whose import is of substantial commercial importance to a member of the United Nations, consideration should be given to the interests of all members of the United Nations. Proper consideration should be given to the factors mentioned in paragraph 1 and also to other factors, including the requirements of countries for the commodities concerned, and new situations or demands arising in postwar circumstances and the prewar patterns of trade, so long as the prewar patterns of trade reflect current economic needs of the countries concerned. Taking into account the foregoing principles, the Inter-Allied Trade Board may recommend individual treatment for different types of exports.

4. For allocated commodities the price should be the same to all recipients and should in general be fixed according to the following principles:

(a) The price should be the established world price where such a price exists.

(b) Where there is no established world price the price should be fixed in equitable relation to export prices of equivalent goods from other sources and to the domestic prices in the recipient countries which have substantial markets for the commodity.

<sup>1</sup> Policy decision approved by the Far Eastern Commission on May 8, 1947, and released to the press on May 20. A directive based upon this decision has been forwarded to the Supreme Commander for the Allied Powers for implementation.

## DIVISION OF REPARATION SHARES<sup>1</sup>

For acts of aggression committed by Japan and for the purpose of equitable reparation of the damage caused by her to the Allied Powers and in the interests of destruction of the Japanese war potential in those industries which could lead to Japan's rearmament for waging war, reparations shall be exacted from Japan through the transfer of such existing Japanese capital equipment and facilities or such Japanese goods as exist or may in future be produced and which under policies set forth by the Far Eastern Commission or pursuant to the terms of reference of the Far Eastern Commission should be made available for this purpose. The reparations shall be in such a form as would not endanger the fulfilment of the program of demilitarization of Japan and which would not prejudice the defraying of the cost of occupation and the maintenance of a minimum civilian standard of living. The shares of particular countries in the total sum of the reparations from Japan shall be determined on a broad political basis, taking into due account the scope of material and human destruction and damage suffered by each claimant country as a result of the preparations and execution of Japanese aggression, and taking also into due account each country's contribution to the cause of the defeat of Japan, including the extent and duration of its resistance to Japanese aggression.

The clauses herein on reparations and references to this subject are without prejudice to the views of governments on the overseas assets issue.

## U.S. DELEGATION TO HEALTH CONGRESS OF ROYAL SANITARY INSTITUTE

[Released to the press May 22]

The Secretary of State announced on May 22 that the President has approved the composition of the United States Delegation to the Health Congress of the Royal Sanitary Institute which is scheduled to be held at Torquay, England, from June 2 to 6, 1947. The nominations of the delegates were based upon the recommendations of the War Department, the Navy Department, the Federal Security Agency, and the American

Public Health Association. The members of the United States Delegation are as follows:

### *Chairman*

Dr. Martha M. Eliot, Associate Chief, U.S. Children's Bureau, Social Security Administration, Federal Security Agency

### *Vice chairman*

Surgeon Burnet M. Davis, Public Health Methods Activities, U.S. Public Health Service, Federal Security Agency; Liaison Officer, British Ministry of Health, London

### *Delegates*

Dr. Thomas D. Dublin, Professor of Preventive Medicine and Community Health, Long Island College of Medicine, Brooklyn

Col. Martin F. DuFrenne, M.C., U.S.A., Liaison Officer, Office of the Director General, British Army Medical Service, London

Capt. Arthur W. Loy, M.C., U.S.N., Assistant Naval Attaché, American Embassy, London

Dr. Harry S. Mustard, Director, Columbia University School of Public Health, New York

The invitation to the United States to participate in the Health Congress was transmitted by the United Kingdom on behalf of the Royal Sanitary Institute. This Congress resumes the annual series held before the war at which the Government of the United States was represented for a number of years. The last Royal Sanitary Institute Congress was held in 1939 at Scarborough, England. The purpose of the forthcoming meeting is to provide an opportunity for public health workers from all parts of the world to discuss subjects of mutual interest and to renew professional relationships.

The Congress will be divided into sections where papers will be discussed on the following topics: preventive medicine; engineering and architecture; maternal and child health; veterinary hygiene; food and nutrition; housing and town planning; hygiene in industry; and tropical hygiene. The meetings of the sections will be followed by conferences of medical officers of health, engineers and surveyors, sanitary inspectors, and health visitors.

<sup>1</sup> Policy decision approved by the Far Eastern Commission on May 8, 1947, and released to the press on May 20. This decision has been communicated to the Supreme Commander for the Allied Powers.

# THE RECORD OF THE WEEK

## Passage of Bill Authorizing Assistance to Greece and Turkey

### STATEMENT BY THE PRESIDENT <sup>1</sup>

[Released to the press by the White House May 22]

The act authorizing United States assistance to Greece and Turkey, which I have just signed, is an important step in the building of the peace. Its passage by overwhelming majorities in both Houses of the Congress is proof that the United States earnestly desires peace and is willing to make a vigorous effort to help create conditions of peace.

The conditions of peace include, among other things, the ability of nations to maintain order and independence, and to support themselves economically. In extending the aid requested by two members of the United Nations for the purpose of maintaining these conditions, the United States is helping to further aims and purposes

identical with those of the United Nations. Our aid in this instance is evidence not only that we pledge our support to the United Nations but that we act to support it.

With the passage and signature of this Act, our Ambassadors to Greece and Turkey are being instructed to enter into immediate negotiations for agreements which, in accordance with the terms of the Act, will govern the application of our aid. We intend to make sure that the aid we extend will benefit all the peoples of Greece and Turkey, not any particular group or faction.

I wish to express my appreciation to the leaders and members of both parties in the Congress for their splendid support in obtaining the passage of this vital legislation.

### REGULATIONS FOR CARRYING OUT THE PROVISIONS OF THE ACT ENTITLED "AN ACT TO PROVIDE FOR ASSISTANCE TO GREECE AND TURKEY" <sup>2</sup>

By virtue of the authority vested in me by the act of May 22, 1947, entitled "An Act to provide for assistance to Greece and Turkey", hereinafter referred to as the act, and as President of the United States, I hereby prescribe the following regulations for carrying out the provisions of the act:

1. Subject to such policies as the President may from time to time prescribe, the Secretary of State is hereby authorized, through such departments, agencies, and independent establishments of the Government as he may designate, to exercise any power or authority conferred upon the President by the act, including expenditure of funds made available for the purposes of the act.

2. The Chief of Mission to Greece or Turkey appointed by the President pursuant to section 8 of the act shall, under the guidance and instructions

of the Secretary of State, direct United States activities within Greece or Turkey, as the case may be, in furnishing assistance under the act. The Secretary of State may delegate to the Chief of Mission such powers or authority conferred by this order as he may deem necessary and proper to the effective carrying out of the provisions of the act and of the basic agreement with the Government of Greece or Turkey, as the case may be, setting forth the general terms and conditions under which assistance is to be furnished.

3. The Secretary of State shall provide, and at his request other departments, agencies, independent establishments, and officers of the Government shall cooperate in providing to the extent considered feasible in keeping with their other established governmental responsibilities and to the extent that funds may be available therefor, such personnel, together with their compensation, allowances, and expenses, and such administrative supplies, facilities, and services as may be necessary and proper to the effective carrying out of the provisions of the act.

<sup>1</sup> Issued upon signature May 22 of S. 938, 80th Cong., 1st sess.

<sup>2</sup> Ex. Or. 9857, 12 *Federal Register* 3331.

4. Subject to the provisions of paragraph 2 hereof, the powers and authority conferred upon the Secretary of State by this order shall be exercised by the Secretary or, subject to his direction and control, by such officers and agencies of the Department of State as he may designate, in the interest of effective administration and proper coordination of functions under the act.

5. The Secretary of State shall make appropri-

ate arrangements with the Secretaries of War and the Navy, and the heads of other Government departments, agencies, and independent establishments concerned, in order to enable them to fulfill their responsibilities under the act.

HARRY S. TRUMAN

THE WHITE HOUSE

May 22, 1947

### AN ACT TO PROVIDE FOR ASSISTANCE TO GREECE AND TURKEY<sup>1</sup>

WHEREAS the Governments of Greece and Turkey have sought from the Government of the United States immediate financial and other assistance which is necessary for the maintenance of their national integrity and their survival as free nations; and

WHEREAS the national integrity and survival of these nations are of importance to the security of the United States and of all freedom-loving peoples and depend upon the receipt at this time of assistance; and

WHEREAS the Security Council of the United Nations has recognized the seriousness of the unsettled conditions prevailing on the border between Greece on the one hand and Albania, Bulgaria, and Yugoslavia on the other, and, if the present emergency is met, may subsequently assume full responsibility for this phase of the problem as a result of the investigation which its commission is currently conducting; and

WHEREAS the Food and Agriculture Organization mission for Greece recognized the necessity that Greece receive financial and economic assistance and recommended that Greece request such assistance from the appropriate agencies of the United Nations and from the Governments of the United States and the United Kingdom; and

WHEREAS the United Nations is not now in a position to furnish to Greece and Turkey the financial and economic assistance which is immediately required; and

WHEREAS the furnishing of such assistance to Greece and Turkey by the United States will contribute to the freedom and independence of all members of the United Nations in conformity with the principles and purposes of the Charter: Now, therefore,

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of any other law, the President may from time to time when he deems it in the interest of the United States furnish assistance to Greece and Turkey, upon request of their governments, and upon terms and conditions determined by him—*

(1) by rendering financial aid in the form of loans, credits, grants, or otherwise, to those countries;

(2) by detailing to assist those countries any persons in the employ of the Government of the United States; and the provisions of the Act of May 25, 1938 (52 Stat. 442), as amended, applicable to personnel detailed pursuant to such Act, as amended, shall be applicable to personnel detailed pursuant to this paragraph: *Provided, however,* That no civilian personnel shall be assigned to Greece or Turkey to administer the purposes of this Act until such personnel have been investigated by the Federal Bureau of Investigation;

(3) by detailing a limited number of members of the military services of the United States to assist those countries, in an advisory capacity only; and the provisions of the Act of May 19, 1926 (44 Stat. 565), as amended, applicable to personnel detailed pursuant to such Act, as amended, shall be applicable to personnel detailed pursuant to this paragraph;

(4) by providing for (A) the transfer to, and the procurement for by manufacture or otherwise and the transfer to, those countries of any articles,

<sup>1</sup> Public Law 75, 80th Cong., 1st sess.

services, and information, and (B) the instruction and training of personnel of those countries; and

(5) by incurring and defraying necessary expenses, including administrative expenses and expenses for compensation of personnel, in connection with the carrying out of the provisions of this Act.

SEC. 2. (a) Sums from advances by the Reconstruction Finance Corporation under section 4 (a) and from the appropriations made under authority of section 4 (b) may be allocated for any of the purposes of this Act to any department, agency, or independent establishment of the Government. Any amount so allocated shall be available as advancement or reimbursement, and shall be credited, at the option of the department, agency, or independent establishment concerned, to appropriate appropriations, funds or accounts existing or established for the purpose.

(b) Whenever the President requires payment in advance by the Government of Greece or of Turkey for assistance to be furnished to such countries in accordance with this Act, such payments when made shall be credited to such countries in accounts established for the purpose. Sums from such accounts shall be allocated to the departments, agencies, or independent establishments of the Government which furnish the assistance for which payment is received, in the same manner, and shall be available and credited in the same manner, as allocations made under subsection (a) of this section. Any portion of such allocation not used as reimbursement shall remain available until expended.

(c) Whenever any portion of an allocation under subsection (a) or subsection (b) is used as reimbursement, the amount of reimbursement shall be available for entering into contracts and other uses during the fiscal year in which the reimbursement is received and the ensuing fiscal year. Where the head of any department, agency, or independent establishment of the Government determines that replacement of any article transferred pursuant to paragraph (4) (A) of section 1 is not necessary, any funds received in payment therefor shall be covered into the Treasury as miscellaneous receipts.

(d) (1) Payment in advance by the Government of Greece or of Turkey shall be required by the President for any articles or services furnished to such country under paragraph (4) (A) of

section 1 if they are not paid for from funds advanced by the Reconstruction Finance Corporation under section 4 (a) or from funds appropriated under authority of section 4 (b).

(2) No department, agency, or independent establishment of the Government shall furnish any articles or services under paragraph (4) (A) of section 1 to either Greece or Turkey, unless it receives advancements or reimbursements therefor out of allocations under subsection (a) or (b) of this section.

SEC. 3. As a condition precedent to the receipt of any assistance pursuant to this Act, the government requesting such assistance shall agree (a) to permit free access of United States Government officials for the purpose of observing whether such assistance is utilized effectively and in accordance with the undertakings of the recipient government; (b) to permit representatives of the press and radio of the United States to observe freely and to report fully regarding the utilization of such assistance; (c) not to transfer, without the consent of the President of the United States, title to or possession of any article or information transferred pursuant to this Act nor to permit, without such consent, the use of any such article or the use or disclosure of any such information by or to anyone not an officer, employee, or agent of the recipient government; (d) to make such provisions as may be required by the President of the United States for the security of any article, service, or information received pursuant to this Act; (e) not to use any part of the proceeds of any loan, credit, grant, or other form of aid rendered pursuant to this Act for the making of any payment on account of the principal or interest on any loan made to such government by any other foreign government; and (f) to give full and continuous publicity within such country as to the purpose, source, character, scope, amounts, and progress of United States economic assistance carried on therein pursuant to this Act.

SEC. 4. (a) Notwithstanding the provisions of any other law, the Reconstruction Finance Corporation is authorized and directed, until such time as an appropriation shall be made pursuant to subsection (b) of this section, to make advances, not to exceed in the aggregate \$100,000,000, to carry out the provisions of this Act, in such manner and in such amounts as the President shall determine.



(b) There is hereby authorized to be appropriated to the President not to exceed \$400,000,000 to carry out the provisions of this Act. From appropriations made under this authority there shall be repaid to the Reconstruction Finance Corporation the advances made by it under subsection (a) of this section.

SEC. 5. The President may from time to time prescribe such rules and regulations as may be necessary and proper to carry out any of the provisions of this Act; and he may exercise any power or authority conferred upon him pursuant to this Act through such department, agency, independent establishment, or officer of the Government as he shall direct.

The President is directed to withdraw any or all aid authorized herein under any of the following circumstances:

(1) If requested by the Government of Greece or Turkey, respectively, representing a majority of the people of either such nation;

(2) If the Security Council finds (with respect to which finding the United States waives the exercise of any veto) or the General Assembly finds that action taken or assistance furnished by the United Nations makes the continuance of such

assistance unnecessary or undesirable;

(3) If the President finds that any purposes of the Act have been substantially accomplished by the action of any other intergovernmental organizations or finds that the purposes of the Act are incapable of satisfactory accomplishment; and

(4) If the President finds that any of the assurances given pursuant to section 3 are not being carried out.

SEC. 6. Assistance to any country under this Act may, unless sooner terminated by the President, be terminated by concurrent resolution by the two Houses of the Congress.

SEC. 7. The President shall submit to the Congress quarterly reports of expenditures and activities, which shall include uses of funds by the recipient governments, under authority of this Act.

SEC. 8. The chief of any mission to any country receiving assistance under this Act shall be appointed by the President, by and with the advice and consent of the Senate, and shall perform such functions relating to the administration of this Act as the President shall prescribe.

Approved May 22, 1947.

## Correspondence Relating to the Greco-Turkish Aid Bill

### LETTER FROM THE SECRETARY OF STATE TO REPRESENTATIVE EATON<sup>1</sup>

MY DEAR MR. EATON:

I regret that I was not in Washington during the consideration by your Committee of the Greek-Turkish aid bill. As the bill comes before the House of Representatives for consideration I would like you to have expression of my views on it.

Prior to my departure for Moscow, I participated in the formulation of the program which the President later laid before Congress. The President telegraphed to me in Paris the proposed text of his message of March 12, and I informed the Department that I fully concurred. The bill which was later introduced in both Houses of the Congress, together with the amendments agreed on in the Senate, has my full approval.

My strong conviction that the immediate passage of this bill is a matter of the greatest urgency was made even more positive by the recent meeting in Moscow.

I am in complete accord with the actions taken by Mr. Acheson on this subject in my absence. We were in constant touch with each other and all moves were fully coordinated. Your Committee is deserving of the highest praise for its thorough exploration of the question and for its able and comprehensive Report. I fully endorse the Committee's conclusion that the bill pending before the House would enable the United States, in this crisis, to support the United Nations by pursuing a positive policy in behalf of Greece and Turkey. I am convinced that it will be in our own interest and in the interest of world peace.

I hope that the bill will be enacted as expeditiously as possible.

Sincerely yours,

GEORGE C. MARSHALL

*Secretary of State*

<sup>1</sup> Read on the floor of the House of Representatives on May 6.

**LETTER FROM AMBASSADOR AUSTIN TO  
REPRESENTATIVE EATON**

NEW YORK, May 8, 1947.

HON. CHARLES A. EATON,  
*Chairman, Committee on Foreign Affairs,  
House of Representatives.*

In answer to your telegram:

In my opinion the United States program for aid to Greece and Turkey does not bypass the United Nations. On the contrary it would be a most essential act in support of the United Nations Charter and would advance the building of collective security under the United Nations.

The United States took the initiative in explaining the proposed United States program to the United Nations Security Council; my statements of March 28, 1947, and April 10, 1947, set forth in full the reasons necessitating the American-aid program and the relationship of this program to the purposes and principles of the United Nations.

I informed the Security Council on behalf of the United States that the United States will immediately register with the United Nations for publication by the Secretary General copies of agreements

connected with the execution of this program which may be entered into between Greece and the United States or between Turkey and the United States.

The Security Council, on the initiative of the United States, is already acting on that aspect of the Greek question with which it is now prepared to deal—the conditions on the northern Greek frontiers.

No organ of the United Nations can at this time provide financial and military assistance to the Greek Government of the emergency character required.

The proposed American program will assist in restoring stability and security in Greece and maintaining them in Turkey. When stable conditions are restored in Greece it should be possible to provide such further financial and economic assistance as might then be required through the Economic and Social Council of the United Nations and related specialized agencies.

WARREN R. AUSTIN

## **Current United Nations Documents: A Selected Bibliography**

There will be listed periodically in the BULLETIN a selection of United Nations documents which may be of interest to readers.

Printed materials may be secured in the United States from the International Documents Service, Columbia University Press, 2960 Broadway, New York City. Other materials (mimeographed or processed documents) may be consulted at certain designated libraries in the United States.

### **Economic and Social Council**

Commission on Human Rights. Sub-commission on Freedom of Information and of the Press. Constitutional Provisions, International Declarations and Other Statements Concerning Freedom of Information. (Submitted by the Secretariat.) E/CN.4/Sub.1/10, May 16, 1947. 14 pp. mimeo.

—Memorandum on Historical Background of Sub-commission. (Submitted by the Secretariat.) E/CN.4/Sub.1/11, May 16, 1947. 4 pp. mimeo.

—Memorandum on Possible International Action in the Field of Freedom of Information. (Prepared by the

Secretariat.) E/CN.4/Sub.1/6, May 15, 1947. 15 pp. mimeo.

—Plan of Organization of the Conference on Freedom of Information. (Submitted by the Secretariat.) E/CN.4/Sub.1/8, May 19, 1947. 11 pp. mimeo.

—Report of Committee on Substitutes for Absent Members to Sub-commission on Freedom of Information. E/CN.4/Sub.1/13, May 19, 1947. 3 pp. mimeo.

—Text of Statement Made at Second Meeting of First Session of Sub-commission on Freedom of Information and of the Press by Mr. Zechariah Chafee (United States). E/CN.4/Sub.1/14, May 19, 1947. 2 pp. mimeo.

Fiscal Commission. Additional Memorandum on Programme of Work. Note by the Secretariat. E/CN.8/13, May 18, 1947. 11 pp. mimeo.

—Additional Remarks on Periodic Publications. E/CN.8/11, May 17, 1947. 15 pp. mimeo.

—Proposal Submitted by the Delegate for the United States. E/CN.8/22, May 20, 1947. 2 pp. mimeo.

## Approval Urged for Peace Treaties With Italy, Roumania, Bulgaria, and Hungary

### LETTER FROM THE PRESIDENT TO THE SECRETARY OF STATE

*May 5, 1947.*

MY DEAR MR. SECRETARY: Since your return you and I have carefully canvassed the existing situation regarding the ratification of the Italian and the three satellite treaties now pending before the Senate. I understand that you will appear soon with Mr. Byrnes before the Senate Committee on Foreign Relations to conclude the hearings on these treaties. You are authorized to say that I concur wholeheartedly in the views which you and Mr. Byrnes will express to the effect that it is in our opinion vital to our foreign policy that these treaties be promptly ratified.

I understand that it has been urged that the inability to agree on an Austrian treaty at Moscow has made the ratification of these treaties inadvisable at this time and that their provisions conflict with the views which I stated to the Joint Session of Congress on March twelfth. I do not share this view. These treaties are the result of months of effort by outstanding leaders of both parties in this Government and of other govern-

ments to work out a common peace in this important area of the world. Nothing has occurred to render their efforts unsound or unwise. It is more than ever important that the Government of the United States should appear to the world as a strong and consistent force in international relations. Treaties which have been worked out with the approval of so large a proportion of all the nations convened at the Paris Conference represent the considered judgment of the international community. Moreover, many of the most difficult problems were resolved as the result of American initiative. It would be a great misfortune and a heavy blow to our country's leadership in world affairs, should we now unilaterally withhold approval of these treaties.

Sincerely yours,

HARRY S. TRUMAN

HONORABLE GEORGE C. MARSHALL  
*Secretary of State*  
*Washington, D.C.*

### LETTER FROM UNDER SECRETARY ACHESON TO SENATOR VANDENBERG

*April 15, 1947.*

MY DEAR SENATOR VANDENBERG:

The Treaty of Peace with Italy is now pending before the Senate Foreign Relations Committee and, I am informed, hearings will begin shortly.

In view of recent discussions which have been had with representatives of the Italian Government on this subject, and the possibility of further discussions shortly, I should like to present, for the information of the Committee, and for the record, a statement of the policy of the Department of State with respect to those provisions of the pending Treaty which affect Italian property in the United States.

You will recall that a major point of United

States policy during the negotiations which led to the final draft of the pending Treaty was the elimination of clauses which might have gravely jeopardized the financial and economic stability of Italy. The claims advanced for reparations were tremendous, although the United States waived the very large claim which it might have presented. Other specific claims for replacement also promised to increase the potential burden on the Italian economy. The Delegation of the United States strenuously argued that reparations from Italy should be eliminated or kept within narrow limits because of the obvious lack of capacity of Italy to pay. Since the United States was concerned with getting the Italian economy on its feet, it was

feared that reparations payments might become in fact a burden upon countries which provided assistance to Italy. The ultimate reparation formula is designed to minimize this risk.

In the course of these discussions, it was alleged that the United States was in fact demanding a type of concealed reparations through the operation of the provisions in the Treaty which dealt with Italian assets in foreign countries. In reply, the United States Delegation stated as a point of United States policy that, far from benefiting from the fact that there were substantial Italian assets in the United States, the United States would, despite the provisions of what became Article 79, substantially return such Italian property to Italy. This declaration made it possible for the American position against heavy reparations and other burdensome clauses to be effective, and resulted in keeping the reparations allowed within fairly reasonable limits.

As you know, the United States has already taken substantial measures beneficial to the economy of Italy, and has a deep interest in preservation of the stability of that economy. Substantial sums, for example, have been made available to Italy as advances against the troop pay and non-troop pay account. These steps, and others like them, have been taken with a view toward preserving sufficient stability in Italy so that the economic as well as political rehabilitation of that country might be facilitated.

Under these circumstances, the Department feels that United States policy is firmly directed toward the release by this Government of Italian property controlled by it, whether blocked or vested. It is, therefore, contemplated that arrangements will be made for the unblocking and return of such property. Adequate safeguards will, of course, be obtained in any agreement on this subject for the protection of any interests of United States nationals which may have arisen during the period of United States custody of this property. Moreover, it is proposed to ask the Italian Government, as a condition of such return, to establish a fund which can be used for certain American claims, particularly those arising out of personal injuries to civilians and to military personnel who may have suffered maltreatment in prisoner-of-war camps, etc.

This program as outlined above was adopted in the United States Delegation during the negotiations on the Italian Peace Treaty and was contemplated as the policy to be adopted by the United States in connection with Article 79 of the pending Treaty of Peace with Italy.

I feel that the Committee may wish to have this statement in the record in connection with its consideration of the pending Treaty.

Sincerely yours,

DEAN ACHESON

*Acting Secretary*

## Summaries of Texts of Peace Treaties With Italy, Bulgaria, Roumania, and Hungary<sup>1</sup>

### SUMMARY OF TREATY OF PEACE WITH ITALY

*The Preamble* gives a brief historical review of Italy's entry into the war, its surrender, and its co-belligerency against Germany as well as expressing the willingness of the Allied and Associated Powers to support its application to become a member of the United Nations and to conclude the present Treaty.

<sup>1</sup> S. Exec. F, G, H, and I, 80th Cong., 1st sess. For the President's Letter of Transmittal and for the Report of the Secretary of State, see BULLETIN of Mar. 23, 1947, p. 541.

#### Part I—Territorial Clauses

*Section I—Frontiers*—Articles 1-5 establish Italy's frontiers, describing the four minor rectifications in the Franco-Italian line and the new lines of the Yugoslav-Italian and Free Territory of Trieste-Italian frontiers as shown on the maps in Annex I, and create boundary commissions for the delimitation of the latter.

*Section II—France—Special Clauses*—Articles 6-9 provide for the return of archives to France,

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the establishment of a special railway link and the guarantee to insure Italy electric and water supply from the ceded area of Tenda and Briga, further details of which are given in Annex III.

*Section III—Austria—Special Clauses—Article 10* takes note of the Austro-Italian agreement regulating autonomy of South Tyrol, the text of which is given in Annex IV.

*Section IV—Yugoslavia—Special Clauses—Articles 11–13* provide for cession to Yugoslavia of Zara and the Dalmatian Islands, delivery of cultural property and guarantee of water supply for Gorizia in accordance with detailed provisions of Annex V.

*Section V—Greece—Special Clauses—Article 14* provides for cession of the Dodecanese Islands to Greece, their demilitarization and the withdrawal of troops.

## **Part II—Political Clauses**

*Section I—General Clauses—Articles 15–18* contain (a) the assurance of human rights and fundamental freedoms, (b) the guarantees of non-persecution of Allied supporters and abolition of Fascist organizations, and (c) the recognition of the Peace settlements.

*Section II—Nationality, Civil and Political Rights—Articles 19–20* grant right of option to persons in territories ceded by Italy and to Yugoslav residents in Italy and assure their human rights and freedoms.

*Section III—Trieste—Articles 21–22* set up the Free Territory of Trieste with its integrity and independence to be assured by the Security Council and describe its frontiers with Yugoslavia. Annexes VI, VII, VIII, IX, and X refer to this Section. Annex VI contains the statute or charter of the Free Territory to be incorporated in its constitution. The Statute provides for the territory's demilitarization, citizenship of its inhabitants, the democratic organization of its government with legislative authority vested in a popular Assembly and executive power in a Council of Government with special powers conferred upon the Governor appointed by the Security Council, enabling him to protect the integrity and independence of the Territory and human rights of the inhabitants. The statute likewise insures the economic independence of the Territory, makes provision for the operations of its railways and establishes a customs free

port with freedom of railway transport to and from the Territory.

*Annex VII* sets up the rules for the provisional regime until elections can be held in the Free Territory and until the approval of the Security Council can bring the statute into force. During this period the Governor, assisted by a provisional Council of Government appointed by him, has greater powers, and the responsibility for holding free elections. Allied forces now in occupation are to be limited to 5,000 each for the United Kingdom, the United States and Yugoslavia and are placed at the disposal of the Governor who shall determine after 90 days whether conditions of internal order require their services for a further period.

*Annex VIII* sets forth the rules for the operation, under a Director appointed by the Governor, of the Free Port available for use on equal terms by all international commerce, provides for freedom of transit of goods transported by railway and precludes the establishment of any special zones within the Port but guarantees berthing facilities to Italy and Yugoslavia. A special international commission of an advisory character composed of representatives of France, the United Kingdom, the United States, the Union of Soviet Socialist Republics, Yugoslavia, Italy, Czechoslovakia, Poland, Switzerland, Austria and Hungary is created to investigate all matters relating to the operation and administration of the Free Port and to make recommendations thereon.

*Annex IX* gives technical guarantees for the Free Territory to insure water and electric supply from Italy and Yugoslavia and grants facilities for local frontier trade.

*Annex X—Economic and Financial Provisions—*provides for an orderly transfer of Italian property to the free Territory, an adjustment with respect to the Italian public debt, the continuance and reassignment of insurance obligations, and the return of United Nations property, and contains provisions for such matters as property rights including right of removal, restitution and the disposition of local government property and records.

*Section IV—Italian Colonies—Article 23* provides for renunciation of Italian sovereignty over its Colonial possessions and their final disposal

under the terms of Annex XI by the United States, the United Kingdom, the Union of Soviet Socialist Republics and France in the light of the wishes and welfare of the inhabitants and the interests of peace and security. Failing agreement within one year, matter is to be referred to the UN Assembly for final solution.

*Section V—Special Interests of China*—Articles 24–26 liquidate former Italian leases and special rights in China.

*Section VI—Albania*—Articles 27–32 provide for the final liquidation of the special position, rights and claims of Italy in Albania and for the restoration of property.

*Section VII—Ethiopia*—Articles 33–38 likewise provide for final liquidation of the special position, rights and claims of Italy in Ethiopia and for the restoration of property.

*Section VIII—International Agreements*—Articles 39–43 eliminate any special position for Italy as regards mandate system, Congo Basin treaties, Red Sea Islands and the Statute of Tangier and provide for the recognition by Italy of the liquidation of the League of Nations and other similar bodies.

*Section IX—Bi-Lateral Treaties*—Article 44 provides for the revival of pre-war treaties notified to Italy by the Allied and Associated Power concerned.

### Part III—War Criminals

Article 45 insures that Italy will take necessary steps looking to the surrender of war criminals and persons accused of treason but gives the Ambassadors at Rome of the great Powers control of the interpretation of this clause.

### Part IV—Naval, Military and Air Clauses

*Section I—Duration of Application*—Article 46 provides that the limitations imposed upon the Italian armed forces remain in effect until modified by agreement either with the Allied and Associated Powers or with the Security Council.

*Section II—General Limitations*—Articles 47–55 provide for demilitarization of the Franco-Italian frontier, the Italian-Yugoslav frontier, Sardinia, Sicily, and the Mediterranean Islands, as well as for prohibition upon atomic weapons, guided missiles, long-range guns and the limitation on the number of tanks and war material in excess of the amount required for forces limited

by the treaty, as well as a prohibition upon service in the armed forces of a former Fascist militia and Republican Army member.

*Section III—Limitation of the Italian Navy*—Articles 56–60 establish limitations upon the Italian Navy in accordance with the schedule contained in Annex 12–A providing for a small but balanced fleet. The remaining vessels of the Italian Navy are to be placed at the disposal of the four Powers in good condition and provision is made for disposal of submarines, non-operational naval vessels, as well as for prohibition upon the construction of battleships, air-craft carriers, submarines, motor torpedo boats and assault craft and upon replacement construction in excess of the tonnage limit of 67,500 tons. Personnel of the Italian Navy is established at 25,000 officers and men. Naval training is restricted to the above personnel.

*Section IV—Limitation of the Army*—Articles 61–63 set the limits for the Italian Army at 185,000 and for the Carabinieri at 65,000 and prohibit military training for other persons.

*Section V—Limitation of the Air Force*—Articles 64–66 limit the Italian Air Force to 200 fighter and 150 transport and other aircraft and to a personnel strength of 25,000 and further prohibit bomber aircraft. Military air training is restricted to the above personnel.

*Section VI—Disposal of War Material*—Article 67 lays down the rules for disposal of surplus war material.

*Section VII—Prevention of German and Japanese Rearmament*—Articles 68–70 provide for Italian cooperation in prevention of Axis rearmament.

*Section VIII—Prisoners of War*—Article 71 requires prompt repatriation of Italian prisoners of war.

*Section IX—Mine Clearance*—Under Article 72, Italy is invited to join the Mine Clearance Organization and will place its minesweeper forces at the disposal of this body.

*Annex XIII* contains definitions of terms used in this Part.

### Part V—Withdrawal of Allied Forces

Article 73 calls for withdrawal from Italy of all armed forces of the Allied and Associated Powers within 90 days and the return of goods in their possession.

**Part VI—Claims Arising Out of the War**

*Section I—Reparations*—Article 74 sets the figures for Italian reparation at \$100,000,000 for the Soviet Union, \$5,000,000 for Albania, \$25,000,000 for Ethiopia, \$105,000,000 for Greece and \$125,000,000 to Yugoslavia (total \$260,000,000) to be paid over a period of 7 years, which does not, however, start for 2 years except by mutual agreement. Reparation will be made not in cash but from surplus war factory equipment, from Italian assets in Roumania, Bulgaria and Hungary, from capital goods and assets, and from current production. Deliveries are to be scheduled in such a way as to avoid interference with Italy's economic reconstruction and placing a burden on other Allied or Associated Powers. States receiving reparation from current production must provide raw materials required. Specific deliveries are to be determined by mutual agreement, and machinery is established for supervision of reparation. Persons whose property is taken for reparation purposes will be compensated by Italy.

*Section II—Restitution by Italy*—Article 75 provides for the return in good order of identifiable property removed from territory of any of the United Nations, including monetary gold, and for method of presenting claims.

*Section III—Renunciation of Claims by Italy*—Articles 76-77 make provision for (a) renunciation by Italy of any claims upon the Allied and Associated Powers for loss or damage from war operations including Prize Court decrees and exercise of belligerent rights, (b) assumption of responsibility for Allied Military currency, (c) eligibility for restitution of Italian property in Germany, and (d) waiver of all Italian claims against Germany.

**Part VII—Property, Rights and Interests**

*Section I—United Nations Property in Italy*—Article 78 provides for restoration of all legal rights and interests in Italy of the United Nations and their nationals and for restoration of their property in good order. In cases where the property cannot be restored or is damaged, the owner shall receive compensation in Italian lire to the equivalent to  $\frac{2}{3}$  of the loss. This same responsibility extends to United Nations property in the ceded territories and the Free Territory of Trieste.

*Section II—Italian Property in the Territory of the Allied and Associated Powers*—Article 79

authorizes the Allied and Associated Powers to take over property of Italy and its nationals in their territories and to apply the property or its proceeds to settlement of claims against Italy not settled by other clauses. The following are exempted from this provision: (a) consular and diplomatic property, (b) property used for religious or charitable purposes, (c) property of persons permitted to reside in the country, where the property is located, or elsewhere in United Nations territory, (d) property rights arising since resumption of trade or from transactions after the Armistice, (e) literary and artistic property rights, and (f) property in ceded territories not taken as reparation.

*Section III—Declaration in Respect of Claims*—By Article 80 the Allied and Associated Powers declare that their claims against Italy have been settled by other clauses of the Treaty.

*Section IV—Debts*—Article 81 makes provision for continuance of pre-war obligations.

**Part VIII—General Economic Relations**

Article 82 requires that for a period of 18 months Italy shall, on a reciprocal basis, (a) grant most favored nation treatment to United Nations and their nationals, (b) make no arbitrary discrimination against their goods, (c) grant no exclusive or discriminatory rights in respect to commercial aviation and (d) afford equality of opportunity in obtaining international commercial aviation rights and extend the right to fly over Italian territory.

**Part IX—Settlement of Disputes**

Article 83 establishes provision for Conciliation Commissions to settle disputes in connection with restitution and restoration of United Nations property.

**Part X—Miscellaneous Economic Provisions**

Articles 84 and 85 relate to the scope of application of the economic articles and the legal form of the economic annexes.

**Part XI—Final Clauses**

Articles 86 and 87 authorize the Ambassadors in Rome of France, the United Kingdom, the United States and the Soviet Union acting in concert to represent all the Allied Powers in matters relating to the interpretation of the Treaty for a period of 18 months, and, with no time limit, to



settle disputes concerning interpretation or execution of the Treaty. If this method fails, provision is made for special commissions for this purpose.

Articles 88-90 provide for accession by other powers, restrict the rights and benefits under the Treaty to those Powers which ratify, and lay down the procedure for signature and the coming into force of the Treaty upon ratification by the Soviet Union, the United Kingdom, the United States and France.

#### **Economic Annexes—Not Specifically Referred to in Any Article of the Treaty**

##### *Annex XIV—Economic and Financial Provisions relating to Ceded Territories*

These clauses provide for the orderly transfer of Italian property in these areas, and adjustment with respect to the Italian public debt, the continuance and reassignment of insurance obligations and the return of United Nations property and contains provisions for such matters as property rights including right of removal, restitution and the disposition of local government property and records.

##### *Annex XV—Special Provisions relating to Certain Kinds of Property*

*A.*—Industrial, Literary and Artistic Property clauses establish Allied rights and interests in this form of property.

*B.*—Insurance clauses relate to resumption of insurance business.

##### *Annex XVI—Contracts, Periods of Prescription and Negotiable Instruments*

The special clauses relating to the foregoing do not apply as between the United States and Italy.

##### *Annex XVIII—Prize Courts and Judgments*

*A.*—*Prize Courts*—This Section provides for a review of all Italian Prize Court decisions in cases involving ownership rights.

*B.*—*Judgments*—This section likewise provides for a review of court judgments after the outbreak of the war when a United Nations national involved was unable to make adequate presentation of his case.

### **SUMMARY OF TREATY OF PEACE WITH BULGARIA**

The Treaty of Peace with Bulgaria in general contains the same provisions as the Treaty with Roumania. The differences are noted as follows:

*Article 1* establishes the frontiers as of January 1, 1941, which include Southern Dobruja transferred from Roumania in August 1940.

No specific clauses relating to non-discrimination against the racial minorities or return of property were deemed necessary in the light of Bulgaria's record of non-persecution.

*Article 9* sets the limits for Bulgarian Armed Forces at 55,000 for the Army, 1,800 for anti-aircraft artillery, 3,500 for the Navy, and 5,200 for the Air Force with a 7,250 tons limit for the Navy and 90 aircraft for the Air Force.

*Article 12* prohibits the construction on the north side of the Greco-Bulgarian frontier of permanent fortifications and military installations capable

of being employed for firing into Greek territory.

*Article 20* calls for complete withdrawal of all Allied forces and return of goods in their possession, no exceptions being necessary in this case.

*Article 21*—Reparation in the amount of \$45,000,000 to Greece and \$25,000,000 to Yugoslavia is provided, payable in kind from products of manufacturing and extractive industries and agriculture over a period of eight years, deliveries to be regulated by agreement with Greece and Yugoslavia. Valuation is to be made on basis of 1938 international market prices with a percentage increase.

*Article 30* provides that Bulgaria should facilitate railway transit traffic through its territory and negotiate the necessary agreement for this purpose.

*Annex VI* omits the clauses relating to Prize Courts as inapplicable in this instance.



## SUMMARY OF TREATY OF PEACE WITH ROUMANIA

*The Preamble* is similar to the preamble of the Italian Treaty, recites the events leading up to the Armistice of September 12, 1944, and expresses the willingness of the Allied and Associated Powers to conclude the present Treaty and to support Roumania's application to become a member of the United Nations.

### Part I—Frontiers

*Articles 1-2* establish Roumania's frontiers as those existing on January 1, 1941, shown on the map contained in Annex I, which confirm the transfer of Southern Dobruja to Bulgaria, recognize Soviet sovereignty over Bessarabia and Northern Bucovina, and restore Transylvania to Roumania.

### Part II—Political Clauses

*Section I*—Articles 3-6 provide (a) the assurances of human rights and fundamental freedoms, (b) guarantees of non-discrimination on account of race, sex, language or religion, (c) non-persecution of racial minorities and United Nations sympathizers, (d) abolition of Fascist organizations, and (e) surrender of war criminals and traitors.

*Section II*—Article 7-10 contain clauses similar to those in the Italian treaty which provide for the recognition of the peace settlements and of the liquidation of the League of Nations and for the renewal of pre-war Treaties. Provision is also made for the termination of the state of war with Hungary.

### Part III—Military, Naval and Air Clauses

*Section I*—Articles 11-19 (a) establish personnel limitations of 120,000 for the Army, 5,000 for anti-aircraft artillery, 5,000 for the Navy, and 8,000 for the Air Force with a 15,000 tons limit for the Navy and 150 aircraft for the Air Force and limit training to the above personnel, (b) prohibit atomic weapons, guided missiles, sea mines, submarines, M.T.B.s and assault craft, (c) provide for disposal of surplus war material, (d) assure Roumanian cooperation for prevention of German re-armament, and (e) provide that the treaty restrictions remain in force until modified by agreement. *Annexes II and III* contain the standard definitions of the terms used in this Part.

*Section II*—Article 20 requires prompt repatriation of Roumanian prisoners of war.

### Part IV—Withdrawal of Allied Forces

*Article 21* calls for the withdrawal within 90 days of all Allied forces and the return of goods in their possession, subject to the right of the Soviet Union to maintain troops on the line of communication with its occupation forces in Austria.

### Part V—Reparation and Restitution

*Article 22* provides for reparation to the Soviet Union in the amount of \$300,000,000 payable in commodities over a period of eight years.

*Article 23* provides for the restitution by Roumania of identifiable property removed from United Nations territory and for the method of presenting claims.

### Part VI—Economic Clauses

*Articles 24-35* contain the standard provisions in respect of (a) United Nations property in Roumania with compensation in local currency for loss or damage equivalent to  $\frac{2}{3}$  of the value of the property, including a special provision for ships, not needed in the other treaties, (b) Roumanian property in the territory of the Allied and Associated Powers with the same exceptions from sequestration excluding, however, the inapplicable clause relating to ceded territories, (c) Renunciations of Claims including restitution of property in Germany, (d) Debts, (e) General Economic Relations including commercial aviation clauses, (f) Settlement of Economic Disputes, and (g) Miscellaneous Economic Clauses. In addition, the Roumanian Treaty calls for restoration of property and rights of minorities discriminated against in Roumania with fair compensation if restoration impossible and for transfer to appropriate organizations if property unclaimed or heirless. The right of the Soviet Union to German assets in Roumania is specifically recognized. Article 33 relates to settlement by conciliation and arbitration of disputes arising in connection with prices paid by the Roumanian Government for goods delivered for reparations and acquired from an Allied national.

**Part VII—Danube**

*Article 36* provides for freedom of navigation on the Danube (the declaration relating to the Conference to be held on this subject having been approved by the Council of Foreign Ministers and published on December 6, 1946).

**Part VIII—Final Clauses**

*Articles 37-40* contain the provisions relating to

the interpretation of the Treaty, settlement of disputes, accession by other States, and the coming into force upon ratification by the United States, the United Kingdom, and the Soviet Union.

*Annexes IV, V and VI* contain the standard clauses relating to (a) Industrial, Literary and Artistic Property, (b) Insurance, (c) Contracts, Periods of Prescription and Negotiable Instruments, (d) Prize Courts, and (e) Judgments.

**SUMMARY OF TREATY OF PEACE WITH HUNGARY**

Like the Bulgarian Treaty, the Treaty of Peace with Hungary in general contains the same provisions as the Treaty with Roumania. The differences between the Roumanian and Hungarian Treaties are, however, noted as follows:

*Article 1* re-establishes the frontiers of Hungary with Austria and with Yugoslavia as those which existed on January 1, 1938. It liquidates the Vienna Award of 1940 and restores Transylvania to Roumania. It establishes a frontier with the Soviet Union in recognition of the transfer of the sub-Carpathian Ukraine from Czechoslovakia to the Soviet Union. It liquidates the Vienna Award of 1938 whereby Hungary received certain territory from Czechoslovakia and restores this territory, together with an increased area across the Danube from Bratislava, providing guarantees of human and civic rights for the population of the ceded area.

*Article 5* provides that negotiations shall take place between Czechoslovakia and Hungary to settle the problem of the Magyars residing in Czechoslovakia, and that, if no agreement is reached in 6 months, Czechoslovakia shall be entitled to ask the Council of Foreign Ministers to effect a final solution.

*Article 11* requires Hungary to deliver certain categories of cultural property and records to Yugoslavia and Czechoslovakia.

*Article 12* sets the limits for personnel of the Hungarian Army, including frontier troops, anti-aircraft and river flotilla personnel at 65,000 and the personnel of the air force at 5,000 with 90 aircraft.

*Article 22* which calls for the withdrawal of all Allied forces within 90 days also contains the

reservation in respect of the right of the Soviet Union to maintain troops on line of communication with its occupation forces in Austria.

*Article 23* provides for reparation to the Soviet Union in the amount of \$200,000,000 and \$100,000,000 to Czechoslovakia and Yugoslavia payable in commodities over a period of 8 years.

*Article 25* calls for the annulment of the legal consequences of the Vienna Award entailed in the return of territory to Czechoslovakia.

*Article 26* contains the standard clauses relating to return of property to the United Nations and their nationals and to compensation in the event of loss or damage and extends these provisions to cover such property in Northern Transylvania during period when it was subject to Hungarian authority.

*Article 34* provides that Hungary should facilitate railway transit traffic through its territory and negotiate the necessary agreements for this purpose.

*Annex VI* omits the clauses relating to Prize Courts as inapplicable.

**New Salesroom Opened**

Publications of the Department of State and selected publications of other Government agencies are now being sold in Room 120 at 1778 Pennsylvania Avenue NW., one of the buildings occupied by the Department of State. The salesroom was opened as a convenience to visitors to the Department and to persons in Washington. It is operated by an agent of the Superintendent of Documents. Mail orders for the Department's publications should be addressed as in the past to the Superintendent of Documents, Government Printing Office, Washington 25, D.C.

# Work of Four Power Commission Delayed

## STATEMENT BY JOSEPH M. DODGE<sup>1</sup>

More than a week after our first meeting and nearly four weeks after the end of the Moscow Conference, the Committee of Experts established by the Council of Foreign Ministers "to give special consideration to Article 35 and the appropriate parts of Article 42 and to the establishment of concrete facts" is still not at work. At the first meeting of this Commission the United States Delegate proposed general instructions to the Committee of Experts under the terms of which it was directed to meet the following day and begin its work. Today the Austrian Treaty Commission begins its seventh meeting by continuing to debate the meaning of the term *concrete facts* and the use to be made of them.

I believe this delay is due to the insistence of the Soviet Delegate, Mr. K. V. Novikov, that the Austrian Treaty Commission limit the work of its Fact-Finding Committee by restricting the operation of the Committee to the finding of certain facts regarding oil in which the Soviet Delegation is interested. The Soviet Delegation has also told the Commission that it is still studying what additional restrictions should be imposed on the Committee with respect to other kinds of German assets. Meanwhile, it insists on renewing a discussion of definitions and formulae which has already continued for nearly two years.

The United States Delegation believes that the purpose of the Foreign Ministers in creating the Committee of Experts was to begin a new approach to a hard problem based on a factual examination of the claims that particular assets were German. The United States Delegate is willing to discuss oil in the Committee of Experts only when there is Four Power agreement to discuss other equally important problems. To do otherwise would set the Committee to work on a problem in which one delegation is particularly interested

and on terms selected by it, thus giving that delegation a veto over the other work of the Committee. Unquestionably, oil is an important problem and the United States Delegation is willing to have the Committee discuss oil without delay provided it is agreed that similar work on other problems may also go forward concurrently.

The United States Delegation has made every effort to meet the Soviet viewpoint and in doing so has even specified the nature of the facts to be examined by the Committee with respect to German assets. Nevertheless, Mr. Novikov is still unprepared to have the Committee of Experts discuss any problem but oil and insists that a discussion of articles 35 and 42 is required before he can formulate his position on other questions in the same manner as he has already formulated his position on oil. The American Delegate regrets this unpreparedness and in a further effort to assist Mr. Novikov will discuss articles 35 and 42 in so far as they bear on the work of the Committee of Experts. In doing so, the United States Delegate recalls fruitless and prolonged earlier discussion of the same subject without the concrete facts the Committee of Experts was established to obtain. Nevertheless, the United States Delegate sincerely hopes that such a discussion will not cause further delays or give rise to new complications but will be speedily ended so that the Committee of Experts can be set to work to establish the concrete facts which the Council of Foreign Ministers called for "without delay".

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<sup>1</sup> Made on May 21 at the seventh meeting of the Council of Foreign Ministers Commission To Examine Disagreed Questions of the Austrian Treaty, and released to the press in Vienna on the same date and in Washington on May 22. Mr. Dodge is U.S. Representative on the Commission.

## Executive Position on Wool Import Duties Proposed by Congress

### LETTER FROM UNDER SECRETARY CLAYTON TO REPRESENTATIVE COOLEY

[Released to the press May 22]

*Text of letter from William L. Clayton, Under Secretary of State for Economic Affairs, to Harold D. Cooley, which was released on May 22 on the floor of the House of Representatives*

*May 22, 1947.*

MY DEAR MR. COOLEY: I take pleasure in this opportunity to answer your inquiry of May 19 concerning the views of the Department of State with respect to proposed wool legislation. I refer to S. 814, a bill to provide support for wool and for other purposes, as passed by the Senate and reported favorably with amendments by the Committee on Agriculture of the House of Representatives.

The bill in the form in which it was reported was not under consideration by the Committee on Agriculture when representatives of the Department testified before that body. We have not had a formal opportunity to present our views on the legislation, as it has been reported.

S. 814, as reported with amendments, is intended to achieve three main objectives. First, it directs the Commodity Credit Corporation to support a price to wool producers at the 1946 level until December 31, 1948. This provision is consistent with the proposed long-run program for wool submitted by the President in his memorandum to Senator O'Mahoney March 11, 1946. The Department of State believes this section of the bill accomplishes the essentials of the Administration's plan which recognizes that wool should receive support comparable to that granted to other agricultural commodities.

Secondly, S. 814 authorizes the Commodity Credit Corporation to sell its stocks of wool without regard to restrictions imposed upon it by law. This is necessary because Commodity Credit Corporation must be able to sell wool at the market if it is to dispose of its stocks. This is also consistent with the President's program in the opinion of the Department of State.

Thirdly, an amendment to Section 22 of the Agricultural Adjustment Act has been added to provide for the imposition of fees on any imported article by the Secretary of Agriculture if he finds that imports of said article interfere materially with the wool-support program. The accompanying report shows that the purpose of the fee is to increase the price of imported wool to equal the support level for domestic wool. The Department of State advises against the adoption of this amendment. I understand from the *Congressional Record* that it is proposed to modify this import-fee amendment by directing the President, rather than the Secretary of Agriculture, to impose the fees after investigation by the Tariff Commission. This does not remove the fundamental objections to the provision.

If import fees, which are actually increases in the tariff, are levied, they would be harmful to the interests of the United States in the following ways:

First, the cost to the public in increased prices for woollen manufactures would far exceed the increased returns to the wool growers. The President's memorandum, previously referred to, pointed out that "it will be more desirable from a national point of view and more dependable for growers to have the Government absorb losses on sales of domestic wool rather than to raise additional trade barriers against imports." The cost of supporting returns to wool growers must be borne by the public of the United States regardless of the form that support takes. The tariff itself is a subsidy which is collected, like a sales tax, from consumers through raised prices and conveyed to producers by the same means. To talk about avoiding cost to the Treasury is to evade the issue, for the public, and not the Treasury, pays the bill.

The fee will raise the cost of the raw material. This in turn cumulatively increases the cost of doing business at every stage of the production

process. Therefore, the final cost to the public as a consumer is far greater under the fee than it would be if raw-material prices were not increased by fees and the public, as a taxpayer, paid the subsidy.

In the second place, new import fees on wool would injure the interests of the United States through their effect on our foreign relations. We all recognize the responsibility of this country for leadership, both political and economic, in the postwar world. The United States has taken the initiative in promoting the adoption of principles of economic conduct among nations which would require each country to consider the impact of the economic measures it undertakes on world economic progress. If the proposed amendment providing new import barriers is adopted, the moral leadership of the United States in world affairs will suffer a serious blow.

If at this time, when we are actually negotiating with other countries at Geneva for the lowering of trade barriers, we raise new barriers as this bill proposed, we stand convicted of insincerity.

Wool is a critical item in our current negotiations for an International Trade Organization for the expansion of world trade and employment. Although wool raising accounts for less than one-half of one percent of our agricultural income, it is very important in world trade. It is the most important import into the United States from Australia, New Zealand and South Africa. It is by far their most important source of the dollars they need so badly to buy our exports. If we impose new barriers to this trade, we cannot expect them to cooperate wholeheartedly in creating the type of postwar world we want to have. Without such cooperation, the other British Commonwealth nations would have difficulty joining with us in a mutually advantageous program. Other nations would question the sincerity of our protestations that we do not intend to retreat to economic isolationism.

Let me summarize by saying the Department approves support to wool growers and authority for Commodity Credit Corporation to sell its wool below parity. The Department therefore hopes that the Congress will adopt the proposed bill as passed by the Senate without amendment.

Sincerely yours,

W. L. CLAYTON

## Policy on Repatriation of Displaced Persons

### STATEMENT BY THE SECRETARY OF STATE<sup>1</sup>

[Released to the press May 20]

It is the fixed policy of the United States Government to oppose any forced repatriation of displaced persons. It is also the policy of our Government to facilitate the repatriation of those displaced persons who desire of themselves to return to their homelands. This is in conformity with the principles approved by the General Assembly of the United Nations.

The current repatriation program sponsored jointly by UNRRA and the armies of occupation was approved by the United States Government prior to its initiation, based on the voluntary desire of the individual to return to his homeland. Any coercion of displaced persons under our jurisdiction would not be tolerated. No instances of coercion have been brought to our attention although one half of the program has already been completed.

It is my opinion that the solution for this tragic situation demands that the democratic countries of the world join in offering sanctuary to these displaced individuals. Further, it is my opinion that the United States should take the lead in this matter.

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### Wheat Agreement—Continued from page 1065

“Wheat”, except in Article VI, includes wheat-flour. Seventy-two tons of wheat-flour shall be deemed to be equivalent to one hundred tons of wheat in all calculations relating to guaranteed quantities.

“Wheat year” means any period of twelve calendar months beginning 1st August.

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<sup>1</sup> Made on May 20 to a delegation of representatives of the Federal Council of Churches of Christ in America, the National Catholic Welfare Conference, the American Friends Service Committee, the Hebrew Immigrant Aid Society, the American Federation of Labor, the Congress of Industrial Organizations, the Refugees Defense Committee, and the International Rescue and Relief Committee.

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# *The Department of State*

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# THE FIRST SESSION OF THE TRUSTEESHIP COUNCIL

by Alfred E. Wellons  
and  
William L. Yeomans

*The last of the major organs of the United Nations to come into being was the Trusteeship Council. This body, provided for in the Charter of the United Nations to supervise the administration of territories placed under trusteeship, held its first session from March 26 to April 28, 1947. The problems with which it dealt and the decisions with respect to them are set forth in this article.*

## Organization of the Trusteeship Council

The convening of the first session of the Trusteeship Council on March 26, 1947, at Lake Success, was a milestone in the life of the United Nations. The Council was the last principal organ of the United Nations to come into operation and thereby the basic structure of the United Nations as envisaged in the Charter was completed. This permanent international body, whose membership is composed exclusively of official representatives of governments, assembled to deal with the problems of supervising the administration of the non-self-governing peoples inhabiting trust territories. The close of the session on April 28, 1947, found the basic organizational work of the Council achieved with an unusual degree of cooperative good-will and without the occurrence of political cleavages. Only once was a vote divided between administering and non-administering members of the Council, and that was on a small point in the rules of procedure.

The organization of the Trusteeship Council became possible when the General Assembly approved eight trusteeship agreements for territories in Central Africa and the Southwest Pacific in December, 1946.<sup>1</sup> Article 86 of the Charter provides that, in addition to the states administering trust territories, the Trusteeship Council should be composed of the permanent members of the Security Council not administering trust terri-

tries and as many other members elected for three-year terms by the General Assembly as may be required to make the number of non-administering states equal to the number which administer trust territories. Accordingly, on December 14, 1946, the General Assembly elected Mexico and Iraq to the Trusteeship Council in order to balance the number of non-administering with the number of administering members. Thus the members of the first session of the Council were:

<i>Administering states</i>	<i>Representatives</i>
Australia	Norman J. O. Makin
Belgium	Pierre Ryckmans
France	Roger Garreau
New Zealand	Sir Carl Berendsen
United Kingdom	Ivor Thomas
<i>Non-administering states</i>	<i>Representatives</i>
China	Liu Chieh
Iraq	Sayid Ali Jawdat
Mexico	Luis Padilla Nervo
United States	Francis B. Sayre <sup>2</sup>
Union of Soviet Socialist Republics	

<sup>1</sup> See "The Inauguration of the Trusteeship System of the United Nations", Elizabeth H. Armstrong and William I. Cargo, BULLETIN of Mar. 23, 1947, p. 511.

<sup>2</sup> Mr. Sayre was assisted by Benjamin Gerig, deputy representative of the United States in the Trusteeship Council and Chief of the Division of Dependent Area Affairs, Department of State. His advisers were Alfred E. Wellons and William L. Yeomans, Division of Dependent Area Affairs, Department of State.

The eight trust territories which have been placed under the supervision of the Council, and the respective administering authorities, are as follows:

<i>Trust territory</i>	<i>Administering authority</i>
Cameroons (British)	United Kingdom
Cameroons (French)	France
New Guinea	Australia
Ruanda-Urundi	Belgium
Tanganyika	United Kingdom
Togoland (British)	United Kingdom
Togoland (French)	France
Western Samoa	New Zealand

It will be noted immediately that all of these trust territories were formerly administered under League of Nations mandate and that, in this sense, the Trusteeship Council is the successor to the Permanent Mandates Commission and the Council of the League of Nations. It will likewise be noted that certain other territories administered under League of Nations mandate—Nauru, South-West Africa, Palestine, and the Pacific islands formerly administered under mandate by Japan—have not yet been placed under the trusteeship system. The Security Council, however, has approved the trusteeship agreement submitted to it by the United States with respect to the Pacific islands formerly mandated to Japan.<sup>3</sup> Only approval by the United States in accordance with its constitutional process is now required to bring this trusteeship agreement into force. When that is accomplished, it will be necessary for the General Assembly to elect to the Trusteeship Council two additional members of the United Nations which do not administer trust territories in order to retain the balance between administering and non-administering members of the Council.

The first meeting of the first session of the Council was opened by the Secretary-General of the United Nations, Trygve Lie. The Soviet Union, although a permanent member of the Trusteeship Council by virtue of being one of the permanent members of the Security Council, was not repre-

sented at any of the meetings of this session of the Council. This absence was commented upon at the first meeting by the representative of the United States, Mr. Sayre, who expressed the hope that "a representative of that great country will be here shortly" to participate in Council meetings. The continued absence of the Soviet Union, however, did not affect the legality of the proceedings of the Council in as much as article 89 of the Charter provides that decisions of the Trusteeship Council "shall be made by a majority of the members present and voting", and both the provisional and final rules of procedure<sup>4</sup> provide that "at any meeting of the Council two-thirds of the members shall constitute a quorum."

Representatives from the three specialized agencies already brought into relation with the United Nations—the International Labor Organization, the Food and Agriculture Organization, and the United Nations Educational, Scientific and Cultural Organization—were present at meetings of the Council and of several of its committees. The agreements entered into between the United Nations and these agencies provide for the attendance of their representatives at meetings of the Trusteeship Council, and the rules of procedure allow them to participate, without vote, in the deliberations of the Council as indicated in their agreements with the United Nations.

At its first and second meetings the Council elected, by separate and secret ballots, Francis B. Sayre as president and Sir Carl Berendsen of New Zealand as vice president. They will continue in office until their successors are elected at the June 1948 session of the Council. In accepting this responsible post, Mr. Sayre expressed his desire to be an impartial chairman and, in accordance with the provisional rules, requested Mr. Gerig, deputy representative of the United States, to present the views of the United States in the Council during the remainder of the session. It is possible that this precedent, which was practiced in the Economic and Social Council, may be followed in the future when representatives of other members are elected to the presidency of the Trusteeship Council.

#### **Rules of Procedure**

The Council devoted much of its time to organizational problems, in particular to the adoption

<sup>3</sup> See "United States Trusteeship for the Territory of the Pacific Islands", Robert R. Robbins, *BULLETIN* of May 4, 1947, p. 783.

<sup>4</sup> The Provisional Rules of Procedure were formulated by the Preparatory Commission of the United Nations in London and approved by the General Assembly on Feb. 9, 1946, for transmission to the Trusteeship Council.

of its rules of procedure.<sup>5</sup> In addition to drawing up rules on ordinary procedural matters such as sessions, agenda, and the conduct of business, the Council debated the concepts and principles basic to the international trusteeship system and agreed on rules for carrying out the functions assigned to the Council in articles 87 and 88 of the Charter, which are as follows:

#### *Article 87*

The General Assembly and, under its authority, the Trusteeship Council, in carrying out their functions, may:

- a. consider reports submitted by the administering authority;
- b. accept petitions and examine them in consultation with the administering authority;
- c. provide for periodic visits to the respective trust territories at times agreed upon with the administering authority; and
- d. take these and other actions in conformity with the terms of the trusteeship agreements.

#### *Article 88*

The Trusteeship Council shall formulate a questionnaire on the political, economic, social, and educational advancement of the inhabitants of each trust territory, and the administering authority for each trust territory within the competence of the General Assembly shall make an annual report to the General Assembly upon the basis of such questionnaire.

In its discussion of the rules, the Council had the benefit of two documents: first, the Provisional Rules of Procedure,<sup>6</sup> which had been drawn up by the Preparatory Commission in London for transmission to the Trusteeship Council by the Secretary-General; and secondly, suggestions for the revision of the Provisional Rules prepared by the Secretariat for consideration by the Council.<sup>7</sup> To assist it in its work, the Council appointed a drafting committee composed of representatives of the nine members present, to which rules were referred for drafting after the principles had been discussed by the Council.

At the suggestion of the United States, special provisions were included regarding the applicability to strategic areas of the rules referring to records, petitions, and visits. These special provisions were inserted in view of the fact that the draft trusteeship agreement for the former Japanese Mandated Islands provides in article 13 that the provisions of articles 87 and 88 of the Charter, relating to petitions, visits, and reports, shall be

applicable to the trust territory, provided that the administering authority may determine the extent of their applicability to any area which may from time to time be specified by it as closed for security reasons.

The action taken with respect to implementing the functions of the Trusteeship Council is discussed in detail in the following sections.

#### **Visit to Western Samoa**

The first visiting mission of the Trusteeship Council will proceed to Western Samoa in the latter part of June to investigate a petition from the leaders and representatives of Western Samoa requesting that Samoa be granted self-government under the protection of New Zealand and that the alleged unnatural division of the islands of the Samoan group be left in abeyance until a meeting can be arranged between Eastern and Western Samoa.

The visiting mission has been given specific instructions from the Council:

"1. to investigate the petition dated 18 November 1946 of the Fautua, Members of the Legislative Council, Associate Judges, Faipule and District Representatives of Western Samoa that Western Samoa be granted self-government.

"2. to visit Western Samoa for this purpose, to remain in the territory for a sufficient period to ascertain all the relevant facts and to report back to the Trusteeship Council."

In view of the fact that this petition raises a fundamental question and is of a very special character, the Council discussed at considerable length the type of mission which should be sent to Western Samoa. Sir Carl Berendsen, the New Zealand representative, in commenting to the Council upon the petition, stated that the New Zealand Government would gladly welcome a visit to the territory, and suggested that the visit should be of sufficient duration to enable a thorough study to be made of the issues involved. He suggested that the mission should be composed

<sup>5</sup> The rules of procedure as reported to the Council by the Drafting Committee are contained in U.N. doc. T/AC.1/8, Apr. 22, 1947. This document was discussed and the rules adopted with minor changes in the 22d meeting of the Council.

<sup>6</sup> U.N. doc. T/1, Feb. 24, 1947.

<sup>7</sup> U. N. doc. T/4, Mar. 18, 1947.

of experts in the field of colonial administration. With respect to the latter point, the Council, after considerable discussion in open session and also in closed session as a committee of the whole, agreed that Francis B. Sayre, as former High Commissioner to the Philippines, and Pierre Ryckmans, who for more than 10 years was Governor General of the Belgian Congo, were aptly qualified as experts, and that in addition to them the mission should be composed of one member from a non-administering, non-colonial state. It was thought that this would provide the mission with a suitable balance. In addition to Mr. Sayre, the president of the Trusteeship Council, and Mr. Ryckmans, the Belgian representative to the Trusteeship Council, the third member of the mission will be the eminent scientist, Dr. Eduardo Cruz-Coke of Chile.

#### **Periodic Visits**

Apart from the visit to Western Samoa which was authorized by the Council for a specific purpose, the Council also considered the problem set forth in article 87(e) of the Charter of providing for periodic visits to respective trust territories at times agreed upon with the administering authority. Some members of the Council felt that visits to each trust territory should be made frequently in order to increase the familiarity of the representatives with the problems of the trust territories. Other members, however, felt that the physical difficulties in scheduling frequent visits, such as obtaining a sufficient number of persons to undertake the visits, providing members of the Secretariat, and meeting the expenses, would be too great and that therefore visits on a triennial basis would be more desirable. All agreed that thoroughness of visits was more important than frequency. Therefore in a resolution to the General Assembly the Council recommended that the General Assembly make regular provision in the budget of the United Nations for periodic visits to trust territories as a recurring item in the annual budget on the basis of one visiting mission each year.

It was generally assumed in the Council discussions that, for purposes of visits, the trust territories would be divided into three areas: East Africa, West Africa, and the Pacific. It therefore seems probable that under the resolution adopted

by the Council, each territory will be visited periodically once every three years.

In determining the nature and composition of the visiting missions the Council discussed suggestions that visiting missions should consist of designated representatives on the Council, or of member states of the Council without designating the individuals. It was also proposed that the Council should adopt only a very general rule regarding the composition of these missions, thereby deferring the question of composition until it could be determined what would be best in each particular circumstance.

It was objected that to limit the members of a mission to only the representatives on the Council might in some cases not permit the Council sufficient latitude for finding the proper men for the job. The suggestion that member states should be designated and that these states in turn could then appoint the individuals to undertake the mission was generally rejected because the visiting missions will be responsible to the Trusteeship Council, and only to the Council; therefore the Council should designate specific persons. With respect to the proposal that the Council should adopt only a very general rule as to the composition of the missions, a majority felt that it would be preferable to set down in the rules of procedure a guide by which the Council could, in the future, determine its action. For these reasons the Council adopted a compromise proposal that the members of visiting missions should preferably be composed of one or more of the representatives on the Council, and that each mission could be assisted by experts and by representatives of the local administration.

It was decided that all expenses of these periodic visits and also of special investigations and inquiries, including the travel expenses of the visiting missions, should be borne by the United Nations. It was strongly urged that nothing should be done to impair the international character of the visiting missions and that the Council should always have the right to determine the character and composition of each mission.

It was further provided in the rules of procedure that each visiting mission should submit to the Trusteeship Council a report on its visit, a copy of which should be transmitted promptly to the administering authority concerned by the Secretary-General. The report may be published by the Council in such form as it deems appropriate.

Observations on each report by the Council and by the administering authority concerned may also be published.

Aside from periodic visits it was agreed that the Trusteeship Council may, in agreement with the administering authority, conduct special investigations or inquiries when it considers that conditions in the trust territory make such action desirable. The qualifying phrase *in agreement with the administering authority* was considered to be necessary in as much as none of the trusteeship agreements make provision for such special investigations or inquiries.

### Petitions

Article 87 (b) provides that the General Assembly, and under its authority the Trusteeship Council, in carrying out their functions may accept petitions and examine them in consultation with the administering authority. In formulating its rules for implementing this provision, the Council and its Drafting Committee devoted a number of meetings to a discussion of the principles and procedures which should be applied to the acceptance and examination of petitions. The complexity of the problem can be illustrated by the fact that by far the longest section of the Rules relates to petitions.<sup>8</sup>

In general it may be stated that the Council may accept and examine petitions if they concern the affairs of one or more trust territories or the operation of the international trusteeship system. Petitions may come from within a trust territory, or from outside, and may be presented in writing or orally. The petitions may be submitted to the Secretary-General either directly or through the administering authority, which, at its discretion, may or may not attach comments. Representatives of the Trusteeship Council engaged in periodic visits to trust territories, or on other official missions authorized by the Council, may accept written petitions, subject to such instructions as they may have received from the Trusteeship Council, and shall transmit them to the Secretary-General for prompt circulation to the members. These visiting representatives may submit to the Trusteeship Council any observations which they might wish to make regarding the petitions after consultation with the local representatives of the administering authority.

After long discussion, it was decided that peti-

tions would normally be placed on the agenda of a regular session provided that they have been received by the administering authority concerned, either directly or through the Secretary-General, at least two months before the date of the next following regular session. Any observations with respect to these petitions which the administering authority might desire to have circulated to members of the Council should, whenever possible, be transmitted to the Secretary-General not less than 14 days before the opening of the session at which such petitions will be considered.

It was suggested that all petitions should normally be submitted through the administering authority and, in order that both sides might present their observations at the same time, should be circulated by the Secretary-General only when the comments of the administering authority are available. The majority rejected this proposal as unduly restricting the procedure.

The Council also recognized that in certain cases petitions required more urgent attention. Accordingly a summary procedure was provided whereby, if the administering authority is prepared to consider a written petition on shorter notice or where in exceptional cases as a matter of urgency it might be so decided by the Trusteeship Council in consultation with the administering authority concerned, such written petitions might be placed on the agenda of a regular session notwithstanding that they had been presented after the due date, or might be placed on the agenda of a special session.

It was further provided that the Council might hear oral presentations in support or elaboration of a previously submitted written petition, and that in exceptional cases it might also hear orally petitions which had not been previously submitted in writing, provided that the Council and the administering authority concerned had been previously informed of their subject matter.

It was agreed that normally petitions should be considered inadmissible if they are directed against judgments of competent courts of the administering authorities or if they lay before the Council a dispute with which the courts have competence to deal. This ruling, however, is not to be interpreted as preventing consideration by the Trusteeship Council of petitions against legisla-

<sup>8</sup> Rules 76-93, in U.N. doc. T/AC.1/8, Apr. 22, 1947.

tion on the grounds of its incompatibility with the provisions of the Charter, or of the trusteeship agreement, irrespective of whether decisions on cases arising under such legislation have previously been given by the courts of the administering authority.

In order to facilitate its handling of petitions, the Council provided for the appointment, at the beginning of each session, of an *ad hoc* committee on petitions to undertake a preliminary examination of the petitions on the agenda without, however, giving an appraisal of their substance. The membership of this committee is to be evenly divided between representatives of members administering trust territories and representatives of the other members.

As a means of assisting the Council in its examination of petitions, provision was made that the administering authority concerned in a petition should be entitled to designate and to have present a special representative well informed on the territory involved. The presence of such a representative will enable the Council to obtain more readily the answers to many questions which will probably arise during the examination of petitions.

#### **Tanganyika Petitions**

One of the substantive questions considered by the Council was the examination of 23 petitions directed to the Trusteeship Council by residents or former residents of Tanganyika. All but two of the petitioners were of German nationality, including a few naturalized Germans of South African-Dutch descent, while the remaining two were of Italian nationality. During the war the petitioners had either been interned in Southern Rhodesia or concentrated in the Oldeani area of Tanganyika under defense regulations, and the basic plea of all was that they be allowed to return to or remain in Tanganyika and not be sent back to Germany or Italy as they feared was about to happen.

In its consideration of these petitions the Council took into consideration information supplied by the United Kingdom both in a memorandum circulated to members of the Council<sup>a</sup> and in statements by Arthur H. Poynton, Assistant Under Secretary of State in the Colonial Office, who was designated as the special representative of the

United Kingdom during the consideration of these petitions. At the close of this examination in the Council, the problem was referred to a subcommittee for further consideration and recommendation to the Council.

During the discussion of these petitions, it was pointed out by the representative of the United Kingdom that the policy of the authorities in Tanganyika with respect to the German nationals was of a selective nature, with the purpose of securing the exclusion of all Germans who had at any time held Nazi or hostile sympathies or who would be in other respects undesirable residents of the territory. The United Kingdom gave assurances (1) that no German would be repatriated solely on account of his nationality; (2) that exceptions would be made in the case of persons who could be shown to be genuine political and religious refugees from Nazi domination; and (3) that exception might also be made on compassionate grounds in certain cases involving extreme hardship or where the interests of the territory concerned so required, provided always that the individual was free from security objection and had displayed no sympathy with totalitarian ideas. In excluding German nationals who were not regarded personally as desirable residents in Tanganyika, the statement of the United Kingdom set forth very definite criteria which would be used. The United Kingdom representative informed the Council that those persons of South African-Dutch origin who became nationalized Germans during the war of 1914-18 would not be deported to Germany.

The United Kingdom representative also stated that, as a result of the petitions presented to the Council, the claims made were thoroughly reinvestigated so that 16 additional persons were allowed to return to Tanganyika. In consequence, he announced, out of 1,250 Germans 254 are to be allowed to remain in or return to Tanganyika and 953 are to be repatriated to Germany unless they can find some other country willing to receive them. The balance of 43 are naturalized German families of South African-Dutch origin, none of whom are to be repatriated.

The Council received assurances from the United Kingdom that no person referred to in the petitions would be compulsorily repatriated to Germany if he could find some other country

<sup>a</sup> U.N. docs. T/23, Apr. 8, 1947; T/23/Add.1, Apr. 27, 1947; and T/33, Apr. 21, 1947.

willing to accept him, provided that there would be no objections on the grounds of security; that necessary steps would be taken in order to keep family units together; that preparation would be made toward the reception in Germany of those persons who are deported; and that those persons who are repatriated would be authorized to take with them a reasonable amount of personal belongings and that the remainder of their property would be treated in conformity with the rules which have been or shall be determined by international agreement.

In view of the information supplied by the United Kingdom, the Trusteeship Council expressed its general approval of the policy being followed in Tanganyika and decided that under the circumstances no action was called for on the part of the Council.

With respect to the two petitions from persons of Italian nationality, the Council was informed by the representative of the United Kingdom that, after a careful review of each case by the authorities in Tanganyika, out of 84 former residents of Italian nationality 76 would be allowed to remain in or return to Tanganyika and that 8 of them would be repatriated either on account of their record as active Fascists or because they were liable to deportation as undesirables. As in the case of the petitions from the German nationals, the Council expressed its general approval of the United Kingdom policy and decided that no other action was called for.

#### **Other Petitions**

Two other petitions which originated with the International Alliance of Women, Middlesex, England, and with Saint Joan's Social and Political Alliance, London, were brought to the attention of the Council. The complaint in each of the petitions was that in the draft convention on social policy in non-metropolitan territories, prepared by the International Labor Office, the section relating to the prohibition of discrimination in matters of employment contains no reference to discrimination on grounds of sex.

The Trusteeship Council decided, without prejudice to its right to examine such petitions, to transmit them to the International Labor Organization for its information and to request that the Council be informed of whatever action the In-

ternational Labor Conference may take on the questions raised in the petitions.

#### **Questionnaires and Reports**

One of the chief tasks confronting this session of the Council was the formulation of a questionnaire on the political, economic, social, and educational advancement of the inhabitants of each trust territory in accordance with article 88 of the Charter. These questionnaires are of fundamental importance to the functioning of the trusteeship system since the administering authority for each trust territory within the competence of the General Assembly is obliged to make an annual report to the General Assembly on the basis of such questionnaire, and the annual reports are subject to detailed scrutiny by the Council.

The framing and use of the questionnaire were first discussed in terms of the rules of procedure which provide that when the Council considers it appropriate it will avail itself of the assistance of the Economic and Social Council or of any specialized agency in the preparation of those sections of the questionnaires with regard to which their advice may be desired. The Council may modify the questionnaires at its discretion. The questionnaire is to be communicated to each administering authority at least six months prior to the end of the year covered by the first annual report and remains in force, without specific renewal, from year to year. Whenever a new trusteeship agreement comes into effect, such questionnaire as has been formulated will be transmitted, through the Secretary-General, to the administering authority concerned.

The Council decided for this first year to formulate a model questionnaire which would be used on a provisional basis for all the trust territories and revised, if necessary, at the next session of the Council. A committee comprised of Australia, Mexico, the United Kingdom, and the United States was appointed to examine the several draft questionnaires which had been laid before the Trusteeship Council and to formulate one model questionnaire for the Council's consideration. Mr. Chinnery of Australia was elected chairman of the committee.

The committee studied the four documents<sup>10</sup>

<sup>10</sup> U.N. docs. T/6 (U.K.), Mar. 18, 1947; T/11 (France), Mar. 27, 1947; T/24 (U.S.), Apr. 8, 1947; T/9 (Secretariat), Mar. 25, 1947.



submitted by France, the United Kingdom, the United States, and the Secretariat, as well as the questionnaire used by the Permanent Mandates Commission, and decided to use the United States draft as the chief working paper.<sup>11</sup> Specific subjects and questions from the other papers were then worked into the framework of the United States draft. In regard to specific sections of the questionnaire with which they were concerned, the committee also had the benefit of the collaboration of representatives of the International Labor Organization and of the United Nations Educational, Scientific and Cultural Organization.

The draft model questionnaire<sup>12</sup> drawn up by the committee consisted of some 240 questions and a statistical appendix covering practically every phase of the life and administration of the trust territories, except for the matter of maintaining armed forces and defense bases in the territories for security purposes. The main sections of the draft questionnaire cover the following subjects: status of the territory and its inhabitants, international and regional relations, political advancement, economic advancement, social advancement, and educational advancement. Under these general chapter headings, specific questions deal with such matters as judicial organization, public finance, taxation, commerce and trade, land and natural resources, monopolies, agriculture, industry, transport and communications, social conditions, the status of women, human rights and fundamental freedoms, labor conditions and regulations, public health, social security and welfare, schools and curricula, and research.

The Council accepted the committee draft of the model questionnaire, with minor modifications, on a provisional basis and with the understanding that it will be revised and adapted, if necessary, to specific trust territories at the November session of the Council. Meanwhile, it is being transmitted to the administering authorities to be used as the basis of the first annual reports on trust territories. It is also being transmitted to the Economic and Social Council and

to the specialized agencies for their advice on the sections with which they are respectively concerned. The committee and the Council regarded this first draft as being largely experimental and felt that the practical experience gained in the preparation of the first annual reports would enable improvements to be made in future years. The local authorities in each of the territories concerned have been invited to make suggestions regarding the most satisfactory means of presenting the desired information and to suggest alternative questions which may prove to be of greater value in relation to local conditions.

The suggestions to be submitted by the administering authorities for the modification of the model questionnaire, as well as the suggestions which will be made by the Economic and Social Council and the specialized agencies, will necessitate long and careful consideration in preparing the permanent questionnaires at the next session of the Council.

The trust territories were all previously administered under League of Nations mandate and annual reports were regularly submitted to the Council of the League, but for obvious reasons it was not possible to submit and publish such reports during the war years. In order to provide continuity in the official reports on these territories, where this has not already been done, the Council suggested that the administering authorities forward with their first reports a brief summary outlining the main features of the administration of each territory during the period for which no reports were submitted to the League of Nations. It was also suggested that the administering authorities send in, for the same period, copies of any publications, laws, regulations, et cetera, issued by the local authorities or the metropolitan power, which are relevant to the continued administration of the territory.

Future sessions of the Council will probably be devoted, to a considerable extent, to the examination of the reports submitted by the administering authorities. Each report is to be sent to the Secretary-General within four months from the termination of the year to which it refers. The administering authorities are requested to furnish 400 copies of each report to the Secretary-General and at the same time send copies directly to the other members of the Trusteeship Council as a means of expediting its work. The Council will

<sup>11</sup> The U.S. draft model questionnaire had been prepared by the Committee on Dependent Areas of the Department of State and by the Subcommittee on Non-Self-Governing Territories of the Interdepartmental Committee on International Social Policy.

<sup>12</sup> The questionnaire reported to the Council by the committee is contained in U.N. doc. T/AC.2/1, Apr. 22, 1947.



then consider and examine each report at the first regular session after six weeks from the receipt of the report by the Secretary-General. The administering authority is entitled to designate and have present during the examination of each report a special representative who should be well informed on the territory involved. The special representative may participate without vote in the examination and discussion of a report, except in a discussion directed to specific conclusions concerning it.

### **Relationship With Other Bodies**

As previously mentioned, the Trusteeship Council provided for the assistance of the Economic and Social Council and of any specialized agencies in the preparation of its questionnaires. In addition to this the Council, in pursuance of article 91 of the Charter, adopted a broad rule which states:

"1. The Trusteeship Council shall, when appropriate, avail itself of the assistance of the Economic and Social Council, of the specialized agencies and of appropriate intergovernmental regional bodies which may be separately established, relating to matters with which they may be concerned.

"2. The Secretary-General shall promptly communicate to these bodies the annual reports of the administering authorities and such reports and other documents of the Trusteeship Council as may be of special concern to them."

Specific action in establishing relations with the Economic and Social Council was provided in the adoption of two resolutions by the Council. The first of these resolutions was a response to an invitation from the Economic and Social Council to appoint a committee of the Trusteeship Council to join with the representatives of the Economic and Social Council in any future negotiations with intergovernmental organizations to be brought into relationship with the United Nations in accordance with articles 57 and 63 of the Charter. Under a resolution authorizing him to appoint, for a period of one year, a committee of one to three representatives for this purpose, the president of the Trusteeship Council designated representatives from Australia and Mexico.

The second of these two resolutions authorized the president "to appoint a committee of three representatives of the Trusteeship Council, to confer with a similar committee of the Economic and

Social Council to discuss arrangements for cooperation in dealing with matters of common concern". This resolution was passed in response to an action of the Economic and Social Council, which at its fourth session appointed a committee, consisting of the president and two members, for the purpose of consulting with representatives of the Trusteeship Council regarding arrangements for cooperation in dealing with matters of common concern.

The necessity of appointing this committee was questioned by some members of the Trusteeship Council, not because they doubted the advisability of cooperation, but because it was felt that adequate provision had already been made in the Trusteeship Council's rules of procedure, and that some conflict might ultimately result among the Economic and Social Council, the administering authorities, and the Trusteeship Council. These objections were overcome, however, when it was pointed out that the committee was being set up, not to deal with the substance of matters of common concern but on an *ad hoc* basis to explore and discuss arrangements for cooperation between the two Councils. The three representatives of the Trusteeship Council as named by the president for these discussions will be France, Iraq, and the United States.

### **Reports of the Trusteeship Council to the General Assembly**

In as much as the Trusteeship Council carries out its functions under the authority of the General Assembly, it is incumbent upon the Council to render an annual report to the General Assembly on its activities and on the discharge of its responsibilities under the international trusteeship system. The report is to include an annual review of the conditions in each trust territory.<sup>13</sup>

The questions of the scope of this general report and of the methods for assembling the relevant material and transmitting it were discussed during the consideration of the rules of procedure in the Trusteeship Council. These rules provide that the general report shall include, as appropriate, the

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<sup>13</sup> The draft report by the Trusteeship Council to the General Assembly covering the first session of the Council, Mar. 26-Apr. 28, 1947, is contained in U.N. doc. T/39 dated Apr. 28, 1947. This draft report was approved with minor modifications by the Trusteeship Council at its last meeting on Apr. 28, 1947.

conclusions of the Council regarding the execution and interpretation of the trusteeship chapters of the Charter and the trusteeship agreements, and such suggestions and recommendations concerning each trust territory as the Council may decide. The appropriate sections of the general report shall take into account the annual reports on each trust territory, and such other sources of information as may be available, including petitions, reports of visiting missions, and any special investigations or inquiries.

The reports are to be transmitted to the General Assembly through the Secretary-General at least 30 days before the opening of the regular session of the Assembly. The president, the vice president, or another member of the Trusteeship Council may represent it during the consideration of its report by the General Assembly.

#### **Next Session of the Council**

Several of the subjects with which the first session of the Trusteeship Council was concerned

will also be on the agenda of the next session scheduled to convene in New York in the latter part of November 1947. Included among these items will be a number relating to the basic objectives of the trusteeship system set forth in article 76 (b) of the Charter which calls for the promotion of the political, economic, social, and educational advancement of the inhabitants of trust territories toward self-government or independence as may be appropriate to the particular circumstances of each territory. Self-government will be the issue when the visiting mission to Western Samoa reports to the Council. Political, economic, social, and educational advancement will be involved in the revision of the model questionnaire and also in the consideration of any annual reports on trust territories which may be submitted by the administering authorities. Other issues will doubtless be raised in petitions, several of which have already been received by the Secretary-General of the United Nations.

## **Current United Nations Documents: A Selected Bibliography**

There will be listed periodically in the *BULLETIN* a selection of United Nations documents which may be of interest to readers.

Printed materials may be secured in the United States from the International Documents Service, Columbia University Press, 2960 Broadway, New York City. Other materials (mimeographed or processed documents) may be consulted at certain designated libraries in the United States.

#### **Trusteeship Council**

Disposition of Agenda Items and Check List of Documents, First Session. 26 March–28 April 1947. Prepared by the Documents Index Unit. T/INF/3/Rev. 1, May 16, 1947. 14 pp. mimeo.

#### **General Assembly**

Second Committee. Check List of Documents of the Second Committee (Economic and Financial Committee) and Its Sub-committees, First Session of the General Assembly, 1946. Prepared by the Documents Index Unit. A/C.2/101, May 15, 1947. 14 pp. mimeo.

Committee on the Progressive Development of International Law and Its Codification. Draft Proposal To Define the Principles Recognized in the Charter of the Nuremberg Tribunal and in the Judgment of the Tribunal. Memorandum Submitted by the Delegate for France. Draft Proposal for the Establishment of an International Court of Criminal Jurisdiction. A/AC.10/21, May 15, 1947. 3 pp. mimeo.

—Proposals by the Representative of Poland . . . A/AC.10/20, May 15, 1947. 2 pp. mimeo.

Statement by the Rapporteur in Amplification of Paragraphs 10 and 11 of His Memorandum A/AC.10/26. A/AC.10/30, May 20, 1947. 3 pp. mimeo.

Statement by the Representative of China Before the Third Meeting of the Committee on Progressive Development and Codification of International Law, 14 May 1947. A/AC.10/31, May 20, 1947. 3 pp. mimeo.

Committee for the Progressive Development of International Law and Its Codification. Statement by the Representative of the Union of Soviet Socialist Republics before the Ninth Meeting of the Committee, 22 May 1947. A/AC.10/32, May 23, 1947. 6 pp. mimeo.

—Statement by the Representative of Brazil Before the Fourth Meeting of the Committee on Progressive Development and Codification of International Law. 15 May 1947. A/AC.10/28, May 19, 1947. 3 pp. mimeo.

First Committee. Check List of Documents of the First Committee (Political and Security Committee) and Its Sub-Committees, First Session of the General Assembly, 1946. Prepared by the Documents Index Unit. A/C.1/135, May 21, 1947. 22 pp. mimeo.

Official Records. Second Year: Fifth Session. Report of the Meeting of Experts To Prepare for a World Conference on Passports and Frontier Formalities. Geneva, 14–25 April 1947. Supplement No. 1. Lake Success, New York, 1947. 22 pp. printed. [15¢.]

## PROPOSED CONTINUATION OF INSTITUTE OF INTER-AMERICAN AFFAIRS

*Secretary of State Marshall has urged the passage of legislation at this session of Congress to extend the life of The Institute of Inter-American Affairs. This agency has been giving tangible expression to the good-neighbor policy by cooperating with other American governments in their efforts to improve basic living standards. A copy of the Secretary's letter and a draft of the proposed legislation precede an article describing the Institute's work.*

### LETTER FROM THE SECRETARY OF STATE TO THE PRESIDENT OF THE SENATE

*May 21, 1947*

MY DEAR SENATOR VANDENBERG: I wish to recommend to the favorable consideration of the Senate the enclosed bill which will provide for the continuation of certain cooperative action programs by the United States and other American republics through reincorporation of The Institute of Inter-American Affairs.

In these programs the United States, through The Institute of Inter-American Affairs, has since 1943 been carrying out in cooperation with eighteen other American republics projects in the fields of public health and sanitation, development of local food supplies, and improvement of basic education. Under agreements made by authorization of Congress with the other American republics, the present programs will continue until June 1948. The value which the other governments attach to these programs has been evidenced by the increasingly large contributions made by them to these cooperative undertakings.

Shortly after The Institute of Inter-American Affairs was placed under the supervision of the Department of State, a thorough investigation of the effectiveness and utility of the programs under reference was made. It was concluded that these programs have made a highly important contribution to our relations with the other American republics. They have directly served thousands of Latin American communities and millions of individuals in improving their standards of health, food supply and education.

In my opinion these programs are tangible and effective demonstrations of the objectives of American democracy. As such they constitute a strong support for our Hemisphere and world-wide foreign policy, and should be continued. Since reincorporation of The Institute of Inter-American Affairs is an indispensable medium for continuing these programs, I trust the Congress will enact the necessary legislation during its present session.

June 8, 1947

1099

The Department has been informed by the Bureau of the Budget that there is no objection to our presenting this draft legislation.

A similar letter is being addressed to the Speaker of the House of Representatives.

Sincerely yours,

G. C. MARSHALL

The Honorable

ARTHUR H. VANDENBERG

*President pro tempore*

*United States Senate*

(Enclosures: (1) A Bill, To provide for the reincorporation of The Institute of Inter-American Affairs and for other purposes; (2) Statement of Justification.)

## DRAFT OF A BILL

### To provide for the reincorporation of The Institute of Inter-American Affairs and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.* That there be, and hereby is, created as an agency of the United States of America a body corporate with the name of "The Institute of Inter-American Affairs" (in this Act called the "Institute").

SEC. 2. The objects and purposes for which this corporation is formed are to further the general welfare of and to strengthen the relations of friendship and understanding between the peoples of the American republics: by collaborating with other governments or governmental agencies of the American republics or other organizations in determining the need for, planning, initiating, assisting, financing, administering and executing technical programs and projects, especially in the fields of public health, sanitation, agriculture, education; and by other programs and projects of a technical nature as may be desirable for the effective realization of the objects and purposes mentioned.

SEC. 3. On the date of enactment of this Act the Institute shall become a body corporate and, as a corporation—

(a) Shall have succession for a period of five (5) years unless sooner dissolved by an Act of Congress and upon termination of the life of the corporation all functions shall be liquidated and, thereafter, unless otherwise provided by Congress, the assets shall be transferred to the U.S. Treasury as the property of the United States.

(b) May adopt, alter and use a corporate seal, which shall be judicially noticed.

(c) May make and perform contracts with any individual, corporation or other body of persons however designated, whether within or without the United States of America, and with any gov-

ernment or governmental agency, domestic or foreign.

(d) Shall determine and prescribe the manner in which its obligations shall be incurred and its expenses allowed and paid.

(e) May employ such officers, employees, agents, and attorneys as shall be deemed necessary for the transaction of the business of the Institute in accordance with the provisions of the civil service and classification laws, except that the Institute may employ and fix the compensation of officers, employees, agents and attorneys of the Institute employed for service outside the continental limits of the United States without regard to the civil service and classification laws, provided that the salary of any such employee shall not exceed the maximum salary established by the classification laws, and may require bonds of any employee and pay the premiums of such bonds.

(f) May acquire by purchase, devise, bequest, gift, or otherwise, lease, hold and improve such real and personal property as it deems necessary in the carrying out of its objects and purposes whether within or without the United States, and dispose of in any manner all such real and personal property held by it and use, as general funds, all receipts arising from the disposition of such property.

(g) Shall be entitled to the use of the United States mails in the same manner and on the same conditions as the Executive departments of the Government.

(h) May, with the consent of any board, corporation, commission, independent establishment, or Executive department of the Government, including any field service thereof, avail itself of the use of information, services, facilities, officers and employees thereof in carrying out the provisions of this Act.

(i) May accept money, funds, property and services of every kind by gift, devise or bequest, grant, or otherwise, make advances and grants to any individual, corporation, or other body of persons, whether within or without the United States of America, or to any government or governmental agency, domestic or foreign, when deemed advisable by the Institute in furtherance of the objects and purposes of the Institute.

(j) May sue and be sued, complain and defend, in its corporate name in any court of competent jurisdiction.

(k) Shall have such other powers as may be necessary and incident to carrying out its powers and duties under this Act.

SEC. 4. (a) The management of the Institute shall be vested in a Board of Directors (hereinafter referred to as the "Board") of not less than five (5) in number, each of whom shall be appointed by the Secretary of State from among the officials and employees of the Department of State and, in the discretion of the Secretary of State, from among the officials and employees of other United States Government departments and agencies. The Secretary of State shall designate a chairman of the Board.

(b) The Directors shall hold office at the pleasure of the Secretary of State and may be removed by him at any time.

(c) The Directors shall receive no additional compensation for their services as Directors but may be allowed actual necessary traveling and subsistence expenses incurred by them when engaged in the performance of the duties vested in them as Directors.

(d) The Board shall direct the exercise of all the powers of the Institute.

(e) The Board may prescribe, amend and repeal by-laws, rules and regulations governing the manner in which its business may be conducted and the powers granted to it by law may be exercised and enjoyed.

(f) The Board, in furtherance and not in limitation of the powers conferred upon it, may appoint such committees for the carrying out of the work of the Institute as they deem for the best interests of the corporation, each committee to consist of two or more of the Directors, which committees, together with officers and agents duly authorized by the Board and to the extent pro-

vided by the Board, shall have and may exercise the powers of the Board in the management of the business and affairs of the Institute.

SEC. 5. The Institute shall be a non-profit corporation and shall have no capital stock. No part of its revenue, earnings or other income or property shall inure to the benefit of its Directors, officers and employees and such revenue, earnings or other income, or property shall be used for the carrying out of the corporate objects and purposes herein set forth. No director, officer, or employee of the corporation shall in any manner directly or indirectly participate in the deliberation upon or the determination of any question affecting his personal interests or the interests of any corporation, partnership, or organization in which he is directly or indirectly interested.

SEC. 6. When approved by the Institute, in furtherance of its objects and purposes, the officers and employees of the Institute may accept and hold offices or positions to which no compensation is attached with governments or governmental agencies of the other American republics.

SEC. 7. The Secretary of State shall have authority to detail employees of the Department of State to the Institute under such circumstances and upon such conditions as he may determine, provided any such employee so detailed shall not lose any privileges, rights, or seniority as an employee of the Government by virtue of such detail.

SEC. 8. The principal office of the Institute shall be located in the District of Columbia, but there may be established agencies, branch offices, or other offices in any place or places within the United States or the other American republics in any of which locations the Institute may carry on all or any of its operations and business under by-laws or rules and regulations.

SEC. 9. The Institute, including its franchise and income, shall be exempt from taxation now or hereafter imposed by the United States, or any territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority.

SEC. 10. The right to alter, amend, or repeal this Act is hereby expressly reserved. If any clause, sentence, paragraph or part of this Act shall for any reason be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this

Act, but shall be confined in its operations to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered.

SEC. 11. The Institute of Inter-American Affairs and the Inter-American Educational Foundation, Inc., two Government corporations caused to be created under the laws of the State of Delaware on March 31, 1942, and September 25, 1943, respectively, by the Coordinator of Inter-American Affairs shall, within ten (10) days following the enactment of this Act, transfer to the corporation created by this Act all necessary personnel, the assets, funds and property, real, personal and mixed, and all debts, liabilities, obligations, and duties, and all rights, privileges, and powers subject to all restrictions, disabilities, and duties of the two said corporations, and the corporation created by this Act, shall accept full title to and ownership of all the assets, funds, and property, real, personal

and mixed, and all debts, liabilities, obligations, and duties, and all rights, privileges, and powers subject to the said restrictions, disabilities, and duties of the two said corporations and all such debts, liabilities, obligations and duties of the two said corporations shall henceforth attach to the corporation created by this Act and may be enforced against it to the same extent as if said debts, liabilities, obligations, and duties had been incurred or contracted by the corporation created by this Act.

SEC. 12. The Institute shall be subject to the provisions of the "Government Corporation Control Act" (Public Law 248, 79th Congress).

SEC. 13. There are authorized to be appropriated such sums as may be necessary to carry out this Act.

This Act may be cited as "The Institute of Inter-American Affairs Act".

*April 11, 1947*

#### ACCOMPLISHMENTS AND PLANS OF IIAA

The Institute of Inter-American Affairs and the Inter-American Educational Foundation, Inc., its companion government corporation, have been carrying out 43 cooperative action programs participated in by the United States and each of 18 other American republics since 1942. The motive was to bring about a solution of emergency problems in the fields of public health and sanitation, food supply, and education, which were hampering the war effort of the United Nations, and to lay the foundations indispensable for an enduring peace by aiding the general improvement in the economic and social status of the peoples of the Americas. Because it was realized that programs of the character contemplated could not be initiated and administered by any of the existing agencies, governmental or private, the two government corporations mentioned were established for these purposes under authority of Congress by the former Office of Inter-American Affairs. Control of the two corporations was transferred by Executive Order 9710 of April 10<sup>1</sup> effective May 20, 1946, to the Secretary of State.

A total of about \$71,000,000 will have been spent by the United States for the whole activity, from

its beginning in 1942 until mid-1948 when it is to be liquidated under current authorization. This sum includes the United States contribution of approximately \$41,000,000 to "program funds" (i.e. funds utilized in capital equipment and other expenses of operations excepting salaries, travel and living allowances, and other expenditures related to the American personnel employed on them). The governments of other participating republics will have spent about \$33,400,000, all for "program funds", by the time the joint activities are to cease under the present terms. Starting, as a rule, with substantially greater contributions by the United States, the successive agreements have brought about increasingly larger contributions to "program funds" by the other governments and proportionately diminishing contributions thereto by the United States.

When control was transferred to the Department of State, an exhaustive study was begun of the 35 programs still in operation at that time, to determine the results attained and to appraise the benefits thereof. The findings were generally satisfactory. Latin American technicians testify to the value they have been experiencing by working side by side in the programs with technicians from

<sup>1</sup> BULLETIN of Apr. 21, 1946, p. 686.

the United States, becoming familiar with North American equipment, acquiring respect for North American professional standards and techniques, and enjoying a well-justified sense of useful accomplishment on behalf of their countries and themselves. The North American technicians concerned with the joint activities learned to understand and appreciate the talents and capacities of their Latin American associates. By pooling and adapting knowledge they have jointly made good progress toward the goals set in the programs. Incidentally, the sound methods and practices of management displayed in developing and supervising the activities have been assimilated, in a significant number of instances, by the other governments when reorganizing the technical services of their own ministries. The outstanding programs have proved themselves a notable means toward community and individual advances desired by the masses of the people as well as by the officials of their governments.

The political effects observed resulting from the programs are the following:

*(a) Implementation of good-neighbor policy.*

The records indicate that to date upwards of 25 million people in Latin America have received tangible, prized benefits through these cooperative efforts, which they regard as telling evidence of the good-will of the people of the United States. Latin Americans consider them a conspicuously successful, desirable implementation of the good-neighbor policy, in furtherance of the Inter-American political system. Each of the other participating governments has requested continuance of the programs and progressively increases the proportion of its contribution.

*(b) Strengthening of democratic institutions.*

Through the benefits realized in thousands of communities by millions of the Latin Americans served by the programs, an appreciable impetus has been given toward raising consumer standards and in other ways as well bringing home to the masses what democracy stands for and can do. The programs are recognized by Latin American statesmen and American diplomats as an effective instrument for strengthening democratic ideas and institutions. They do this by demonstrating the practical capacity of democratic governments, aided by this form of cooperation, to improve basic conditions of human life and successfully meet the challenge of totalitarian propaganda.

How have these accomplishments been effected? The Department of State, with the assistance of the Institute or the Foundation, makes the initial policy determinations as to what types of cooperative action programs are to be undertaken in each of the several countries inviting assistance. Once the policy decision has been made, a basic agreement is negotiated fixing the broad technical purpose of the cooperative action program, the length of time to be taken to fulfil it, and the other conditions for the work, including the contributions each of the parties is to make. Then the Institute or the Foundation sends out its field party qualified for the work contemplated and acceptable to the country to which it is being sent, to implement the basic agreement. Specific activities within the program defined in general terms in the basic agreement are then provided for in subsidiary project agreements by the two representatives of the two governments—the minister of the appropriate department, and the chief of the Institute's (or the Foundation's) field party. Often, though not always, a special vehicle called a "Servicio Cooperativo" set up within an appropriate ministry by the host government carries out the program, all as provided for in the basic agreement. Control of its activities is placed in the hands of the director of the Servicio, who as a rule is the chief of the Institute's field party. The chief reaches accord with the minister on each of the several projects constituting the program: the consent of both representatives is required. This is to assure the technical integrity of the program and thereby the requisite opportunity for the securing of long-range as well as short-range legitimate interests of both participating governments and peoples.

The activities embraced in the projects designedly involve the American personnel in functions that significantly pass beyond "advisory" duties. They typically entail joint planning, financing, manning, and execution of such varied enterprises as the construction and operation of health centers, hospitals, water-supply systems, sewerage systems, food warehouses, cattle quarantine stations, and the like. They include the establishment and operation of agricultural extension services, teacher-training courses, assistance to rural and vocational education, and various other activities carefully selected and systematically pursued in the "action" fields of public health and sanitation, local agricultural development for food

supply, and basic education, towards the attainment of important mutually desired objectives. Often the activities of the cooperative action programs necessitate, for their efficient and successful completion, operations which require longer than one year to complete and involve in their performance administrative, fiscal, and other transactions having a quasi-commercial aspect. They generate administrative relationships demanding much flexibility and adaptability, which could not be undertaken at all within the authority of existing bureaus or other regular divisions of the Department of State. Nor should they be, for the Department in Washington and its Embassies in the field insist on the intrinsic advantage of keeping separate and distinct the organization for transacting diplomatic affairs and this organization destined to serve the United States by carrying out cooperative action programs directly with the governments of other American republics. Operations of the character described, in the setting and circumstances named, call for the use of the corporate device. Government corporations with the powers necessary for the purposes in view had therefore to be established.

The Government Corporations Control Act, Public Law 248, of December 6, 1945, 79th Congress, orders the dissolution of such corporations by June 30, 1948, but provides that any corporation so dissolved may be reincorporated by act of Congress. A careful and detailed consideration of the nature of the projects constituting the programs and the factors accountable for their effectiveness led to the recognition that the use of the corporate device is essential if they are to be continued. Although some degree of curtailment can be effected without dangerously weakening the usefulness or jeopardizing the success of this auxiliary of American policy in the inter-American system, abandonment or too heavy a reduction of the work, qualitatively or quantitatively, on the expiry of the present authorization for it in 1948 would be prejudicial to the interests of the United States as well as the other participating republics. Therefore, the Department is recommending the

reincorporation of the Institute of Inter-American Affairs by Congress for an additional five years to implement the good-neighbor policy and to strengthen the framework of democratic institutions in the other republics.

In reaching its conclusion, the Department did not fail to take into thoughtful account, during a close and prolonged study of all the facts, the intention of the Government to pare the cost to the taxpayers of the United States. A partial curtailment of the scale of activities, stopping short of the sacrifice of essentials on which their effectiveness can be predicated, was decided upon. It need cost the United States no more than about 5 million dollars a year for the period of further operation now requested to reap maturing and continuing advantages from the prior investment of 71 million dollars. Contributions from the other republics to the several programs to be continued, the actual sites of which will be decided when the pertinent political as well as technical factors can be freshly evaluated after favorable action has been taken by Congress, would probably amount (it is estimated) to between 4 million and 8 million dollars a year. No appropriation for activities of the reincorporated Institute of Inter-American Affairs will be required before the fiscal year 1949. The appropriations will then be requested by the Department of State and if approved by Congress will be made available by the Department to the Institute.

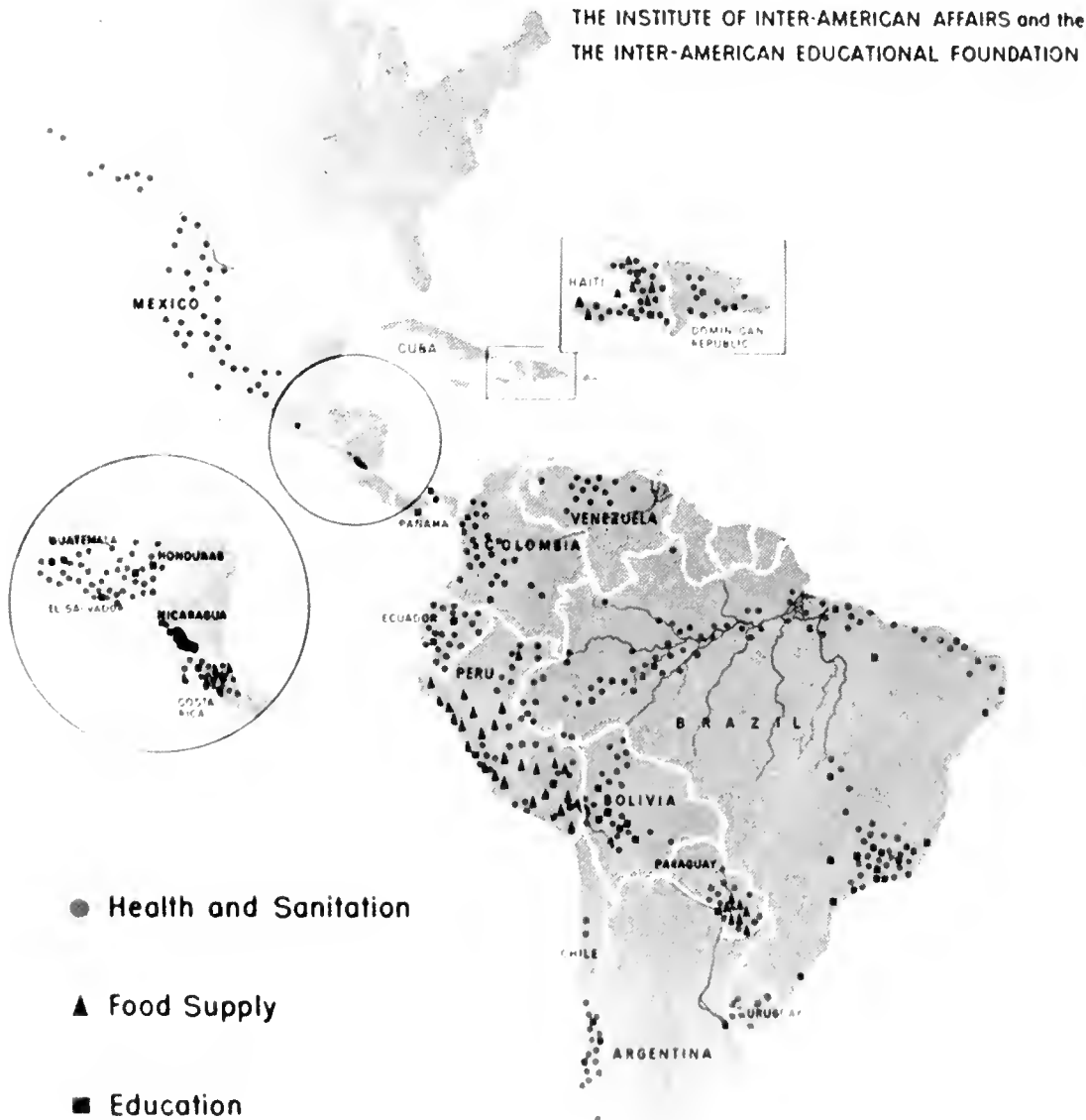
The functions at present carried on by the Inter-American Educational Foundation, Inc., would be transferred to the Institute. Reincorporated, with provisions as shown in the draft of legislation accompanying the letters of the Secretary of State to the President *pro tempore* of the Senate and the Speaker of the House embodying the request of the Department for favorable action, the Institute of Inter-American Affairs under control of the Secretary of State as at present would continue cooperative action programs in the other American republics in the fields in which its personnel have already had valuable experience and achieved commendable success.



# INTER-AMERICAN COOPERATIVE PROGRAM • LOCATION OF ACTIVITIES •

*Conducted by*

THE INSTITUTE OF INTER-AMERICAN AFFAIRS and the  
THE INTER-AMERICAN EDUCATIONAL FOUNDATION



I I A A • April 1947

## COOPERATIVE ACTION PROGRAMS

### Division of Food Supply

Successful agricultural programs, jointly financed and operated by the Institute and the various Ministries of Agriculture, are now functioning in Peru, Paraguay, and Haiti. These programs have survived frequent changes in the structure and official personnel of the local governments, and their flexibility of operation has been demonstrated by the wide variety of activities undertaken.

An example is the program in Peru known as SCIPA. Peru is the size of California, Oregon, and Washington; it has 7,000,000 people; because of the extremes in elevation and climate, agriculture presents a great variety of problems. Operations, conducted within the structure of the Ministry of Agriculture, are under the direction of the Chief of Field Party; financial and operational control is maintained through that person.

Operations in Peru are of two general types:

(1) Action programs initiated by the U.S. technical group for direct operations through the Servicio, or joint program;

(2) Organizational assistance to already established governmental functions.

In the first category are the following projects:

(a) An agricultural extension service, expanded step by step as trained technicians become available, is now operating in each Department of Peru, with 29 offices in all. Besides enjoying the advantages of the county-agent type of advisory service, farmers are able to buy and have demonstrated to them the use of improved seeds, insecticides, tools, equipment, and fertilizer. Moneys are received and disbursed through revolving funds.

(b) Farm equipment pools are organized to cooperate with the extension agents. In these, scarce and expensive agricultural equipment is pooled to make it available on a modest fee basis to small farmers. Because of the demonstrated success of this project, all of the agricultural equipment of the Peruvian Government is now being placed in these pools.

(c) Animal disease-quarantine stations have

been constructed near certain port cities to permit importation of livestock under controlled methods. Disease-control demonstrations are carried on with the aid of a U.S. technician in connection with livestock importations and through the established extension offices.

(d) Livestock importation for breed improvement is carried on. About 250 head of high-grade cattle have been imported, and 20,000 baby chicks have been shipped to Peru by air to build up breeder flocks. The Servicio structure permits direct purchase from suppliers and direct dealings with transporters, with immediate payment to each possible.

(e) Other projects in Peru, briefly listed, include:

- construction and operation of storage facilities for grain and potatoes;
- construction of irrigation structures and demonstrations of their use;
- construction of bait boats and icing facilities to improve fishery operations;
- home-garden seed distribution to 84,000 families; and
- surveys of food-production possibilities in potential oil-drilling areas.

In the second category of operations in Peru are the following short-term advisory-type projects:

(a) Meat packing-plant organizational and operational techniques are examined by a U.S. technician and advice is given for improvement. The plant is already a going concern and aid in actual operations is not essential.

(b) An agricultural statistics and reporting system is organized within the Ministry. U.S. technicians work within the Ministry to study the existing structure and place new improved systems in operation.

(c) Flour milling techniques are examined by a U.S. expert and advice is given as to how to effect improvements.

In Paraguay there is operated under the cooperative agricultural program a model dairy and pasteurization plant, a seed-production and demonstration farm, and a demonstration livestock ranch. In addition, the first agricultural census

of the country has been taken. A supervised credit program has been organized in the principal farm areas: The Paragnayan Government makes the loans to farmers, and the agricultural Servicio, through extension work and demonstration of improved practices, insures loan repayment.

In Haiti agriculture dislocated because of a war rubber-growing program has been placed back into production through this same type of Servicio.

In all of these programs a group of U.S. agricultural technicians at first supervise operations; later, as local technicians are trained, supervision is allowed to pass to them, with U.S. technicians remaining in an advisory capacity as long as necessary.

### **Division of Health and Sanitation**

The Health and Sanitation Division has at the present time 17 Servicio organizations established in 17 of the Latin American countries. The general plan of the cooperative health and sanitation program is to set up the types of projects which will supplement and strengthen the program of the National Ministry of Health. Before projects are set up, a general survey of the services being carried out by the national organization is made, and the weak points of this over-all program are selected as fields in which the Servicio, through which the programs are conducted, can work toward supplementing and strengthening the national organization.

For instance, if the national health organization is found to be weak in its sanitary engineering aspects, projects are established to strengthen this branch of public health, which upon termination by the Servicio will become the continuing responsibility of the Division of Sanitary Engineering of the National Ministry of Health; where the National Ministry of Health is weak in the field of malaria control in a country where malaria is prevalent, both medical type and engineering type of malaria-control projects are set up, which upon their termination become the continuing responsibility of the Division of Malariology; in the event that it is decided the Servicio will operate in an area of the country where little or no health facilities are established (areas such as the Amazon Valley of Brazil or the Montana region of Peru), the projects of the Servicio are set up to cover all phases of health work. Therefore, it can be seen that while the Servicio acts as an official supplement to the national health agency it also acts as

does a voluntary health agency in the United States; that is, it makes provision for health problems which are not at the time covered by the work of an official health agency, and when the work is sufficiently well established so that it can be taken over and carried on by the official health agency it then turns over the responsibility for continuing the activity to the official health agency and enters a new field of activity.

The projects are mutually agreed upon by the Chief of Field Party and the representative of the National Ministry of Health. Third parties may also join in project agreements if it is decided that these third parties are to make a contribution toward the project, or have responsibility in carrying out a phase of the project, or have responsibility for the continuation of the work at the termination of the project. The project write-up sets forth the objective of the project, the contributions to be made, and the responsibility of the participants.

The Chief of Field Party in his capacity as director of the Servicio and the other United States Institute personnel work shoulder to shoulder with the corresponding national personnel of the Servicio in the work of the project. In each of the fields mentioned the responsibility for the work is a joint one between the Institute and the national personnel, a responsibility which is assumed and discharged through daily contact and consultation in regard to the progress of the work. Work progress in each case is finally reported to the director of the Servicio who in turn is responsible through the Servicio to the National Minister or Director of Health, and through the Division of Health and Sanitation to the Institute. The reports and contacts of the director of the Servicio with the National Minister or Director of Health are daily, or as frequent as need be for the information of the Minister or for consultation with him toward the obtaining of most efficient progress in the work.

The United States personnel of the Institute have the added responsibility of day-to-day supervision and training of the national personnel of the Servicio in their fields of competence. The following types of Servicio projects have been carried out: hospital and health-center construction and operation, installation of water and sewerage systems, malaria control (temporary and permanent), health education, nurse training, in-service

training for public-health technicians, leprosy control, tuberculosis control, special disease-control programs, establishment of special clinics, laboratories, and other miscellaneous projects.

The over-all objective of the programs is to improve the general level of health of peoples, thus improving their well-being and productive capacity. In certain instances, depending upon the presence or lack of health facilities established directly by the National Ministry of Health, several or all of the types of projects noted above may be undertaken as an area program.

As an example, work of the Servicio in an area is summarized below.

### *Rio Doce Valley—Brazil*

It has been pointed out that the solution of the Brazilian heavy-industry problem lies in the Rio Doce Valley, a valley which is said to contain 23 percent of the total undeveloped iron sources of the world, plus other mineral deposits including uranium, platinum, molybdenum, manganese, beryllium, mica, quartz, and several other deposits.

Prior to the development of the cooperative health and sanitation activities of the Servicio, there was little or no health work performed in the valley. Surveys conducted by the Servicio showed an extremely high incidence of malaria, intestinal parasitosis, dysentery, schistosomiasis, tuberculosis, and tropical ulcers; an extremely high infant-mortality rate; and general malnutrition. As a result of this there existed considerable debilitation and low productivity among the working people of the valley.

In order to improve these conditions, a series of Servicio projects were set up in the valley, whereupon Institute personnel, consisting of doctors, sanitary engineers, nurses, and other technicians, working conjointly with national personnel of the Servicio, set up a series of health centers and sanitary posts throughout the valley, particularly in the larger towns of Aimorés, Colatina, and Governador Valladares. These centers offered the following health services: prenatal and postnatal clinics, infant and preschool clinics, immunization for the control of communicable diseases, venereal-disease and tuberculosis clinics, general laboratory services, and visiting nurse services. Additionally, in as much as malaria was found to affect in many locations as high as 77 percent of the population, malaria-control campaigns were started,

which included treatment campaigns, survey for and control of mosquito-breeding areas, drainage engineering, and DDT house spraying.

Other projects included the establishment of water-supply systems and proper sewerage-disposal facilities, and a valley-wide treatment program for intestinal parasites. A public-health education project to teach methods of disease prevention was established, and training projects were established for the training of visiting nurses and for sanitary inspectors.

The population of the valley is estimated at 300,000. As a result of this work there has been a marked decrease in the incidence of disease and a general increase in healthful living conditions. This has been especially noted in the areas near the larger towns, where work has been concentrated because of the population concentrations in those areas. One employer of a large number of people in one of the areas affected stated that he has noted at least a 50 percent increase in the productivity of his employees.

In several of the areas where health conditions have been improved there has been a notable increase in population.

Without going into further detail with regard to projects in this area, it should be noted that this type of work is vital in any program directed toward the economic development of an area or a country. These people have been given opportunity, by freedom from debilitating and efficiency-destroying diseases, to increase their productive capacity and thus their standards of living.

### **Inter-American Educational Foundation**

The cooperative-action programs of the Inter-American Educational Foundation are designed (1) to provide advisory and consultative services; (2) to carry out the advice given by positive action under United States direction as long as such direction is necessary; (3) to insure acceptance of the action through its development by completely cooperative effort on the part of officials or technicians of the United States and of the host government, working side by side; and (4) to provide for orderly assumption of full responsibility by the host government whenever withdrawal of United States participation becomes possible. The Foundation assumes that all programs must be developed on the basis of resources and methods

readily available in the host country and adaptable to its needs and not on the basis of theoretical programs, appropriate to United States conditions but not readily adaptable to local needs.

In Bolivia, for example, United States technicians familiarized themselves thoroughly with Bolivian educational conditions and methods. (1) Accepting a new technique of school administration (the nuclear school system), already more or less worked out in Bolivia but not yet adopted in the United States, the technicians built on the basis of that system and recommended how, within it, curricula, methods of instruction, and administration, and standards of teacher training, could be improved and how the improved schools could be used to serve the best interests of the community. (2) They then, with the backing of the Ministry of Education, initiated new curricula in the teacher-training institutions and in the demonstration schools, with strong emphasis on agricultural education (adapted to local needs), health education, community life, nutrition, home economics, and crafts education, with the United States technicians actually directing the courses and training nationals to direct them. Teacher-training institutes and workshops, institutes for administrators, and extension and follow-up work in communities throughout the Republic constituted important direct-action phases of United States technicians' work. (3) Throughout the

program, an essential factor has been the development of the action program by mutual agreement on projects to be undertaken, and by joint participation in carrying out the projects by United States and Bolivian technicians, dividing the work among them. (4) As the Bolivian technicians acquire experience and as Bolivian teachers finish their training courses, more and more of the actual responsibility is transferred to them, so that when the time comes for withdrawal of direct United States participation, the program can be carried on smoothly by the Bolivians themselves.

The Foundation, in other countries, conducts programs in vocational education, school administration, and secondary education as well as such rural education and agricultural education programs as the Bolivian one described above.

The results aimed at are, fundamentally: (1) broadening the base of the educational system; (2) giving "basic education" a thoroughly practical slant, intended to increase the individual and the community capacity for economic improvement and economic independence; (3) stressing the intimate relationship which must exist between the curriculum and methods of the school on the one hand, and the social, political, and economic needs of the community on the other.

The cooperative-action technique has won acceptance in Latin America as an effective and welcome means of attaining those aims.

## Question of Palestine

### RESOLUTIONS ADOPTED BY THE GENERAL ASSEMBLY ON THE REPORT OF THE FIRST COMMITTEE<sup>1</sup>

The General Assembly calls upon all Governments and peoples and particularly on the inhabitants of Palestine to refrain, pending action by the General Assembly on the report of the Special Committee on Palestine, from the threat or use of force or any other action which might create an atmosphere prejudicial to an early settlement of the question of Palestine.

## First Meeting of Assembly of ICAO

### STATEMENT BY THE SECRETARY OF STATE

[Released to the press May 29]

The first assembly of the Organization has just closed its sessions. The Delegation of the United States was headed by Assistant Secretary Garrison Norton. This Organization completed its transition from a provisional to a permanent basis. The necessary steps were also taken to bring it into relationship with the United Nations. Among these steps was the passage of an amendment to the Chicago convention debarring Spain from membership in the Organization, a requirement laid down by the General Assembly last December.

In the technical field the Assembly approved the substantial progress achieved by the Organization during the past year and a half in establishing international standards and regulations for the promotion of safety and regularity in international air traffic.

In the field of commercial air rights the Assembly, to the disappointment of this Government, failed to agree upon the draft of a multilateral treaty exchanging certain privileges and establishing certain principles for the member states. I

<sup>1</sup>Resolution 11, adopted by the General Assembly on May 15, 1947. U.N. doc. A/309, May 23, 1947. For the resolution establishing the Special Committee on Palestine, see BULLETIN of May 25, 1947, p. 1021.

am glad to see, however, that the Organization intends to continue its efforts in this direction at a conference to be held next fall.

## U. S. Delegation to 30th Session of International Labor Conference

[Released to the press May 29]

The President has approved the composition of the United States Delegation to the Thirtieth Session of the International Labor Conference, which is scheduled to be held at Geneva from June 19 through July 11, 1947. The names of the delegates were submitted to the President by the Secretary of State upon the recommendation of the Secretary of Labor. The United States Delegation will be tripartite, representing the Government, employers, and workers of the United States as follows:

### *Representing the Government of the United States*

#### DELEGATES

David A. Morse, Assistant Secretary of Labor  
Elbert D. Thomas, United States Senate

#### SUBSTITUTE DELEGATE AND ADVISER

Augustine B. Kelley, House of Representatives

#### ADVISERS

Elizabeth H. Armstrong, Specialist in Dependent Area Affairs, Department of State  
Clara M. Beyer, Associate Director, Division of Labor Standards, Department of Labor  
Roy Borum, Director of Social Welfare, the Government of the Virgin Islands  
Edith G. Boyer, Administrative Assistant to the Assistant Secretary of Labor, Department of Labor  
Millard Cass, Special Assistant to the Assistant Secretary of Labor, Department of Labor  
Capt. John C. Hammock, Office of the Chief of Naval Operations, Navy Department  
L. Wendell Hayes, Specialist in International Organization Affairs, Division of International Organization Affairs, Department of State  
Leslie A. Hill, Regional Director, Region X, Wage and Hour Division, Department of Labor, Minneapolis, Minn.  
Brig. Gen. Frank J. McSherry, U.S.A. (Ret.), Special Assistant to the Governor, the Panama Canal, Canal Zone

Forrest H. Shuford, Commissioner, North Carolina State Department for Labor, Raleigh, N.C.

Collis Stocking, Assistant Director for Program, United States Employment Service, Department of Labor

Aryness Joy Wickens, Assistant Commissioner for Program Operations, Bureau of Labor Statistics, Department of Labor

Bernard Wiesman, Chief, International Labor Organizations Branch, Division of International Labor, Social and Health Affairs, Department of State

Faith M. Williams, Director of the Staff on Foreign Labor Conditions, Bureau of Labor Statistics, Department of Labor

#### *Representing the Employers of the United States*

##### DELEGATE

J. David Zellerbach, President, Crown Zellerbach Corporation, San Francisco, Calif.

##### ADVISERS

William Barton, Assistant Manager, Department of Manufacture, in Charge of Labor Relations, United States Chamber of Commerce

M. M. Olander, Director of Industrial Relations, Owens-Illinois Glass Company, Toledo, Ohio

Thomas R. Reid, Director of Personnel and Public Relations, McCormick and Company, Incorporated, Baltimore, Md.

Charles E. Shaw, Manager, Industrial Relations, Standard Oil Company of New Jersey, New York, N.Y.

Leo Teplow, Assistant Director, Research Industrial Relations Department, National Association of Manufacturers, New York, N.Y.

#### *Representing the Workers of the United States*

##### DELEGATE

Robert J. Watt, International Representative, AFL, Washington, D.C.

##### ADVISERS

James M. Duffy, President, National Brotherhood of Operative Potters, AFL, East Liverpool, Ohio

H. W. Fraser, Vice Chairman, Railway Labor Executives Association, and President, Order of Railway Conductors, Cedar Rapids, Iowa

John T. Kmetz, Executive Board Member, District 1, United Mine Workers of America, AFL, Washington, D.C.

Peter T. Schoemann, Vice President, United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry, AFL, Washington, D.C.

P. L. Siemiller, Grand Lodge Representative, International Association of Machinists, Chicago, Ill.

John R. Stevenson, Vice President, United Brotherhood of Carpenters and Joiners of America, AFL, Indianapolis, Ind.

J. H. Sylvester, Vice-Grand President, Brotherhood of Railway and Steamship Clerks, AFL, Chicago, Ill.

#### SECRETARY OF THE UNITED STATES DELEGATION

Bruce Grainger, Division of International Conferences, Department of State

#### ASSISTANT SECRETARY OF THE UNITED STATES DELEGATION

Dorothy H. King, Division of International Conferences, Department of State

The agenda for the Thirtieth Session includes the following: (a) the Director's report; (b) financial and budgetary questions; (c) minimum standards of social policy in dependent territories (provisions suitable for a convention); (d) organization of labor inspection in industrial and commercial undertakings; (e) employment service organization; (f) reports on the application of conventions; and (g) memoranda on trade union rights submitted to the United Nations by the World Federation of Trade Unions and the American Federation of Labor and referred by the United Nations Economic and Social Council to the ILO for consideration.

The International Labor Conference, which meets at least once a year, is the legislative body of the International Labor Organization, consisting of representatives of 52 nations. The First Meeting of the Conference was held in 1919, and the most recent session was held in September and October, 1946, at Montreal, Canada. The functions of the Conference are to formulate conventions and recommendations which are then submitted to the competent authorities of each member for ratification or implementation.

David A. Morse, Assistant Secretary of Labor, United States Government Representative on the Governing Body of the ILO, will attend the 102d Session of the Governing Body of the International Labor Office and preliminary committee meetings which will be held starting June 5, 1947, at Geneva. Also participating from the United States will be: J. David Zellerbach, an employers' member of the Governing Body, and Robert J. Watt, a workers' member of the Governing Body. Mr. Zellerbach and Mr. Watt serve on the Governing Body by virtue of election by the employers' and workers' groups, respectively, at the Twenty-seventh Session of the International Labor Conference which met at Paris, France, in November 1945.

At the 102d Session the Governing Body will be concerned primarily with: (a) standing orders:

*(Continued on page 1137)*

# INTERNATIONAL ORGANIZATIONS AND CONFERENCES

## Calendar of Meetings<sup>1</sup>

In Session as of June 1, 1947		1946
Far Eastern Commission . . . . .	Washington . . . . .	Feb. 26
United Nations:		
Security Council . . . . .	Lake Success . . . . .	Mar. 25
Military Staff Committee . . . . .	Lake Success . . . . .	Mar. 25
Commission on Atomic Energy . . . . .	Lake Success . . . . .	June 14
		1947
Commission on Conventional Armaments . . . . .	Lake Success . . . . .	Mar. 24
Committee on Progressive Development and Codification of International Law.	Lake Success . . . . .	May 12
ECOSOC (Economic and Social Council):		
Fiscal Commission . . . . .	Lake Success . . . . .	May 19
Subcommission on Freedom of Information and of the Press . . .	Lake Success . . . . .	May 19
Economic Commission for Europe: Transport Session . . . . .	Geneva . . . . .	May 27
German External Property Negotiations (Safehaven):		1946
With Portugal . . . . .	Lisbon . . . . .	Sept. 3
With Spain . . . . .	Madrid . . . . .	Nov. 12
Inter-Allied Trade Board for Japan . . . . .	Washington . . . . .	Oct. 24
		1947
International Conference on Trade and Employment: Second Meeting of the Preparatory Committee.	Geneva . . . . .	Apr. 10
Congress of the Universal Postal Union . . . . .	Paris . . . . .	May 7
Council of Foreign Ministers: Commission To Examine Disagreed Questions of the Austrian Treaty.	Vienna . . . . .	May 12
FAO (Food and Agriculture Organization): Rice Study Group . . . .	Trivandrum, Travancore, India.	May 15
International Radio Conference . . . . .	Atlantic City . . . . .	May 15
Scheduled for June-August 1947		
FAO (Food and Agriculture Organization):		
Executive Committee . . . . .	Washington . . . . .	June 2-5
Panel on Soil Erosion Control . . . . .	Washington . . . . .	June or July
Meeting of Specialists on the Control of Infestation of Stored Food Products.	London . . . . .	Aug. 4
Annual Conference . . . . .	Geneva . . . . .	Aug. 25
United Nations:		
ECOSOC:		
Economic and Employment Commission . . . . .	Lake Success . . . . .	June 2
Human Rights Drafting Committee . . . . .	Lake Success . . . . .	June 9
Fifth Session . . . . .	Lake Success . . . . .	July 19
Narcotic Drugs Commission: Second Session . . . . .	Lake Success . . . . .	July 24 <sup>2</sup>
Subcommission on Economic Development . . . . .	Lake Success . . . . .	Aug. 18 <sup>2</sup>
Population Commission: Second Session . . . . .	Lake Success . . . . .	Aug. 18 <sup>2</sup>
Human Rights Commission: Second Session . . . . .	Geneva . . . . .	Aug. 25 <sup>2</sup>

<sup>1</sup> Prepared in the Division of International Conferences, Department of State.

<sup>2</sup> Tentative.



# Calendar of Meetings—Continued

		1947
United Nations: ECOSOC—Continued		
Statistical Commission: Second Session . . . . .	Lake Success . . . . .	Aug. 28 <sup>2</sup>
Social Commission: Second Session . . . . .	Lake Success . . . . .	Aug. 28 <sup>2</sup>
Economic Commission for Asia and the Far East:		
First Session . . . . .	Shanghai . . . . .	June 16
Committee of the Whole . . . . .	Lake Success . . . . .	July 7
Preparatory Conference of Experts on Telecommunications . . . . .	Lake Success . . . . .	June 16
Economic Commission for Europe: Second Session . . . . .	Geneva . . . . .	July 5
Eleventh International Congress of Military Medicine and Pharmacy . . . . .	Basel . . . . .	June 2-7
Royal Sanitary Institute: 51st Congress . . . . .	Torquay . . . . .	June 2-6
ECITO (European Central Inland Transport Organization): Seventh Session of the Council (Second Part).	Paris . . . . .	June 3
German External Property Negotiations With Turkey (Safehaven) . . . . .	Ankara . . . . .	June (first week)
International Cotton Advisory Committee: Sixth Meeting . . . . .	Washington . . . . .	June 9
ILO (International Labor Organization):		
102d Session of the Governing Body . . . . .	Geneva . . . . .	June 13-17
30th Session of the International Labor Conference . . . . .	Geneva . . . . .	June 19
Permanent Agricultural Committee . . . . .	Geneva . . . . .	July
Sixth International Conference of Labor Statisticians . . . . .	Montreal . . . . .	Aug. 4
Industrial Committee on Iron and Steel Production . . . . .	Stockholm . . . . .	Aug. 19
IRO (International Refugee Organization): Second Session of the Preparatory Commission.	Lausanne <sup>2</sup> . . . . .	June 16 <sup>2</sup>
ICAO (International Civil Aviation Organization):		
South American Regional Air Navigation Meeting . . . . .	Lima . . . . .	June 17
South Atlantic Regional Air Navigation Meeting . . . . .	Rio de Janeiro . . . . .	July 15
Aerodromes, Air Routes and Ground Aids Division . . . . .	Montreal . . . . .	Aug. 19
"Journées Medicales de Bruxelles": 21st Session . . . . .	Brussels . . . . .	June 21-25
Caribbean Commission: Fourth Meeting . . . . .	Jamaica . . . . .	June 23-28
International Sugar Council . . . . .	London . . . . .	June 24
International Congress of River Transportation . . . . .	Paris . . . . .	June 26-28
IARA (Inter-Allied Reparation Agency): Meeting on Conflicting Custodial Claims.	Brussels . . . . .	June
UNRRA Council: Seventh Session . . . . .	Washington . . . . .	June
International Telecommunications Plenipotentiary Conference . . . . .	Atlantic City . . . . .	July 1
International Council of Scientific Unions: Executive Committee . . . . .	Paris . . . . .	July 1-2
International Rubber Study Group . . . . .	Paris . . . . .	July 1-10
Seventh International Congress of Administrative Sciences . . . . .	Bern . . . . .	July 23-30
UNESCO Executive Board . . . . .	Paris . . . . .	July
International Meteorological Organization: Meeting of Technical Commissions.	Toronto . . . . .	Aug. 4-Sept. 13
WHO (World Health Organization): Fourth Session of Interim Commission.	Geneva . . . . .	Aug. 30-Sept. 14
International High Frequency Broadcasting Conference . . . . .	Atlantic City . . . . .	August or September

<sup>2</sup> Tentative.

**U.S. DELEGATION TO 11TH INTERNATIONAL CONGRESS ON MILITARY MEDICINE**

[Released to the press May 27]

The Secretary of State announced on May 27 that the President has approved the composition of the United States Delegation to the Eleventh International Congress on Military Medicine and Pharmacy which is scheduled to be held at Basel, Switzerland, from June 2 to June 7, 1947. The Delegation is as follows:

*Chairman*

Col. Edgar Erskine Hume, G.S.C., U.S.A., Civil Affairs Division, War Department

*Delegates*

Dr. Henry A. Brodtkin, member, Association of Military Surgeons

Dr. Robert C. Cook, Deputy Medical Director, Veterans' Administration

Dr. Margaret Janeway, New York

Capt. William F. E. Loftin, M.C., U.S.N., Bureau of Medicine and Surgery, Navy Department

Dr. Ralph C. Williams, Assistant Surgeon General, United States Public Health Service

The First Congress on Military Medicine and Pharmacy was sponsored by Belgium in 1921 to bring together military medical services of participating states for the purpose of promoting the protection of human life in the armed forces. The Tenth Congress was held at Washington, D.C., and New York City from May 9 to May 19, 1939. The forthcoming Congress, which is being held under the auspices of the International Committee for Military Medicine and Pharmacy, Liège, Belgium, has for its objective a full exchange of views on the discoveries, experiences, and practices of military medicine resulting from World War II. The provisional agenda includes the presentation of formal reports by the various delegations on the following topics: (1) methods of rehabilitation of the wounded; (2) modern prophylaxis of epidemic diseases in the army; (3) modern methods of evacuating the wounded and sick; (4) the role of the military surgeon in the moral and physical training of the soldier; and (5) the comparative study of methods and apparatus available in determining the concentration of hydrogen "ions" with regard to their use in army pharmaceutical laboratories.

Delegates of the United States will contribute to the report on modern prophylaxis of epidemic diseases in the army. In addition to the reports,

the program will contain a demonstration by army medical units.

**INVITATIONS EXTENDED FOR FIFTH INTERNATIONAL CONGRESS OF PEDIATRICS**

[Released to the press May 28]

The Department of State announced on May 28 that invitations on behalf of the sponsoring committee for the Fifth International Congress of Pediatrics have been extended to governments abroad to be represented at the Fifth International Congress of Pediatrics. The meeting, which is to be held at New York City, July 14-17, 1947, will be the first meeting of the Congress since 1937 (Rome, Italy), and the first meeting to be held in the United States. Dr. Thomas Parran, Surgeon General of the United States Public Health Service, has accepted an invitation to address the Congress.

At the same time, states which are members of the Pan American Union have been invited on behalf of the American Academy of Pediatrics to be represented at the First Pan American Congress of Pediatrics. This meeting is scheduled to be held at Washington from July 9 through July 13, 1947.

The following countries have been invited to attend the Fifth International Congress of Pediatrics: Afghanistan, Argentina, Australia, Austria, Belgium, Bolivia, Brazil, Bulgaria, Burma, Canada, Chile, China, Colombia, Costa Rica, Cuba, Czechoslovakia, Denmark, the Dominican Republic, Ecuador, Egypt, El Salvador, Ethiopia, Finland, France, Greece, Guatemala, Haiti, Honduras, Hungary, Iceland, India, Iran, Iraq, Ireland, Italy, Lebanon, Liberia, Luxembourg, Mexico, the Netherlands, New Zealand, Nicaragua, Norway, Panama, Paraguay, Peru, Poland, Portugal, Republic of the Philippines, Saudi Arabia, Siam, Sweden, Switzerland, Syria, Turkey, the Union of South Africa, the Union of Soviet Socialist Republics, the United Kingdom, Uruguay, Venezuela, Yemen, and Yugoslavia.

The following countries, members of the Pan American Union, have been invited to attend the First Pan American Congress of Pediatrics: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, the Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay, and Venezuela.

The purpose of these congresses is to provide out-

standing professional leaders in the field of pediatrics with an opportunity for the mutual exchange of ideas and to facilitate the dissemination of important technical information in the study of child health and child disease. These meetings are not officially sponsored by the United States Govern-

ment. However, particular significance is attached to the convocation of congresses of this nature at a time when there is increasing awareness throughout the world of the close dependence of the social welfare of people everywhere on the existence of sound medical practice within each country.

## The Cairo Conference of the Interparliamentary Union

ARTICLE BY FRANKLIN DUNHAM

Under the leadership of Count Carton de Wiart, the representatives of the parliaments of 24 countries gathered in Cairo, Egypt, on April 7, 1947. Count de Wiart, who served the Interparliamentary Union as President of the Council during the long years of World War II, presented, as presiding officer and newly elected President of the 36th Interparliamentary Conference, Dr. Mohammad Hussein Haekal Pasha. Dr. Haekal, President of the Egyptian Senate and President of the Egyptian Interparliamentary Group, acted as official host to the Conference in the name of King Farouk.

The countries represented at the Conference were: the United States of America, Austria, Belgium, Bulgaria, Czechoslovakia, Denmark, Egypt, Finland, France, Great Britain, Greece, Hungary, Italy, Luxembourg, The Netherlands, Norway, Poland, Rumania, Sweden, Switzerland, Iraq, Syria, Turkey, and Yugoslavia. During the first morning session the group was officially organized into component parts for action on resolutions and in subcommittees for the work of the week.

The American Delegation consisted of Senator Alben W. Barkley, Minority Leader of the Senate, Chairman; Senator Owen Brewster of Maine; Senator Carl A. Hatch of New Mexico; Senator Homer Ferguson, Michigan; Congressman John M. Vorys, Ohio, Chairman of the House Delegation; Congressman Estes Kefauver, Tennessee; Congressman Harold D. Cooley, North Carolina; Congressman Bob Poage, Texas; Congressman Henry O. Talle, Iowa; and Congressman Dewey Short, Missouri. Congressman Anton Johnson of Illinois, one of the Vice Presidents of the Interparliamentary Bureau, had unfortunately been taken ill en route to Cairo and had returned by

another plane from the Island of Bermuda. The delegation was accompanied by Dr. Franklin Dunham, Permanent Executive Secretary of the American group, who also acted as secretary to the delegation during the entire period of the Conference. The American Delegation was one of the largest delegations present at the Conference, except the host delegation from Egypt.

During the afternoon the Conference assembled for the purposes of general debate on questions minor to the general resolutions.

The previous meeting in Oslo in 1939, which ironically enough had had for its general discussion the subject titled "The Peaceful Settlement of International Disputes", had been held in Norway (later to be one of the occupied countries) just as Hitler was planning to send his Panzer divisions across Poland and almost immediately after the famous Ribbentrop-Molotov agreement had been made to respect one another's territories in the event of war. At the 35th Interparliamentary Conference it was stated "that general peace can find no guarantee other than collaboration between States with a view to satisfying the economic and social needs of the nations by peaceful methods". One of the subjects for debate during that meeting had been the grass-roots problem of the maintenance and development of small and medium-sized family farms. In light of the break-up of great ancestral estates which has been accelerated during the period following World War II, it is interesting to note that the Conference voted in favor of facilitating the acquisition and farming of medium-sized properties intended to be kept in the family. Likewise, collective farming was advanced to the extent that "consolidation should be encouraged wherever parcelling is excessive". The

35th Conference devoted itself also to the subject of vocational training, and voted that: (1) the school-leaving age should be raised and the additional time spent at school spent in vocational preparation and training of pupils; (2) compulsory supplementary teaching should be provided for all young people during apprenticeship; and (3) legal regulations relating to apprenticeship in each country should be extended and a statute of apprenticeship drawn up. The Conference also voted prophetically on the refugee problem which was already evident in Europe due to the pressures of Hitler and his satellite governments. It urged "upon all governments to take immediate concerted action to settle the refugee problem by intergovernmental measures on a basis of equality between all classes of refugees, without infringing upon national sovereignty or prejudice to the indigenous population". Strangely enough this is the exact problem which was posed for the International Refugee meeting recently held in Lausanne under the same recommended intergovernmental auspices.

The 35th Interparliamentary Conference "viewed with concern the persistent tension which characterizes the international political situation and the risks and economic strain resulting from the armaments race; it is convinced that its action is in conformity with public opinion the whole world over when it ventures respectfully to remind all the Powers of the obligations which they have assumed with a view to the settlement, by means of conciliation and arbitration, of disputes which may arise between them". The countries represented at this meeting were the United States, Belgium, Bulgaria, Denmark, Egypt, Estonia, Finland, France, Great Britain, Hungary, Dutch East Indies, Eire, Japan, Luxembourg, Norway, the Netherlands, Poland, Rumania, Sweden, Switzerland, Turkey, and Yugoslavia. Evidently the presence of the delegates of the parliaments of these great and small powers stood helpless in the advance of the armed legions of those countries that had already decided that war was inevitable. On the other hand, it is interesting to comment at this time on the professed sincerity of the countries that were taking part in that conference at such a momentous period of the world's history and to look upon these countries once more eight years later as they gathered together again after a great world catastrophe to bind up the wounds

of those who had suffered so frightfully in the conflict which had devastated a greater part of Europe and had delivered so serious a blow to Western civilization.

During the period between these conferences the official Bureau of the Interparliamentary Union had quietly and zealously carried on its work from its headquarters in Geneva under the able leadership of Leopold Boissier, Secretary General of the Bureau. The official bulletin had never ceased publication; numerous meetings were held, many of them in England, either between or during the consistent bombing of that country by Germany; and the superstructure of the United Nations was being planned.

It was significant that Senator Alben W. Barkley, President of the American Group of the Interparliamentary Union, announced previous to the 36th meeting that the Interparliamentary Union had been granted top place among those organizations which would act in a consultative capacity to the Social and Economic Council of the United Nations, with full rights to originate resolutions and to suggest agenda for that important body of the new world organization in which the hope and aspiration of the people of the world now turn for a guaranty of a prolonged and satisfactory peace.

The Cairo conference had been preceded by a meeting of the Council of the Interparliamentary Union held in St. Moritz in the last days of August 1946, which had been attended by Senator Barkley and by representatives of 22 nations assembled to meet with the United States.

At a meeting of the American Group of the Interparliamentary Union held in the United States Senate on March 22, 1947, precedent to the assembling of the delegates to the Cairo conference, Senator Barkley outlined the work of the Union between the conferences and reported on the agenda which was set up in a preliminary fashion at St. Moritz and was to be the subject of discussion at the Cairo meeting. These questions were: (1) migration and transfers of populations; (2) reparation of war damage and international reconstructions; (3) codification of international law. It was necessary in addition to make certain structural changes in the organization of the Interparliamentary Union itself which would no doubt

result in certain amendments to the statutes of the Union, making it possible for the organization to function more efficiently in the future.

On April 8, the 36th Conference of the Inter-parliamentary Union got to work on the matters which had been laid before it by action of the Council at St. Moritz, and a time was provided for each chairman of the delegations present to take the rostrum and in an address of greeting present the views in general of his country on the important matters in hand. Senator Barkley in an address calling for a newly risen faith in people everywhere, gave an exposition of the position of the United States in its relation to the world; stressed the bipartisan support of the foreign policy of this country; and in a glowing peroration pled for the complete and unqualified support of the United Nations, to which we had dedicated our hearts, our lives, and our sacred honor.

The business of the Conference actually began on the morning of April 9, in the long and exploratory debate on the subject of migration and transfers of population. The American Delegation, which by virtue of a time-honored and equitable system of voting according to strength of population, had been accorded a total of 28 votes in the Conference. At no time during the Conference did the American Delegation split its vote on any issue, and on all occasions of such voting the entire delegation was in its place expressing a solid front of unified action which did not fail to be noted by the entire Conference. Although the American vote, as in fact all voting under the very nature of the Interparliamentary Union and its work, did not bind the United States to any official position on matters listed in the agenda, the views expressed by the United States Delegation, and those to a very great degree by other countries as well, were indicative of great study and well-thought-out conclusions on important subjects which continue to vex the world at this time. Such a subject was undoubtedly indicated in the migration and transfers of population, which had received much preliminary study by the Council of the Interparliamentary Union and was offered for final framing into an official resolution of the Conference. The resolution as adopted was as follows:

#### **Migration and Transfers of Population**

A. The XXXVIth Inter-Parliamentary Conference, having studied both the work of the Special Committee on

Refugees and Displaced Persons which met in London from April 8 to June 1, 1946, under the auspices of the United Nations Organisation, and the reports and notes presented to it,

1) approves, after a thorough debate, the conclusions reached by the said Committee;

2) emphasises that migration and transfers of population constitute an international problem which must be solved by international means;

3) urges that as regards migration there shall be no discrimination on racial or religious grounds;

4) insists on the need for securing the agreement of all concerned in such transfers;

the object of the above recommendations being the incorporation of the immigrants in the community of the receiving country and their assimilation in its national life.

B. The Conference considers it undesirable that nationals of any country be compelled to leave that country against their will, with the exception of any transfers of population organised under international agreements.

#### **C. The Conference**

1) considers that it is desirable that the United Nations Organisation should recommend to member states that they should facilitate the entry of refugees onto their territory within the reasonable limits of their capacity;

2) suggests that Parliaments of member states be invited to consider favourably all means for the technical training of refugees, particularly Jews, in various forms of industry and in agriculture, in order that they may make a more valuable contribution to the economic life of receiving countries;

3) recognises the difficulties confronting receiving countries and urges that the new International Refugee Organisation create machinery to relate the needs of countries lacking labour with the surplus of refugee labour existing in other countries;

4) hopes that all countries will make use of the most humane methods of transport in connection with movements of refugees and also that they will facilitate the reunion of dispersed families;

5) regards it as desirable that wherever possible refugees should return to their country of origin, and considers that favourable conditions should be created such as will encourage their return;

6) deems it desirable that priority be given to the consideration of the removal of groups of refugees from frontier regions where their presence may constitute a specially serious problem;

7) trusts that international conditions facilitating the distribution of labour in the various countries will be created by conventions on settlement to be concluded between those countries, with a view to averting the danger of unemployment and of an economic crisis which will threaten the world after the final establishment of peace.

The next question on the agenda was the discussion and debate on reparation of war damage and international reconstruction. Once again the Conference acted upon a resolution which had been

given preliminary consideration by the Council and which represents one of the most important issues in present-day world consideration. The resolution as finally adopted was as follows:

### **Reparation of War Damage and International Reconstruction**

The XXXVIth Inter-Parliamentary Conference

1. considers that the basis for national and international measures in respect of the problem of war damage and reconstruction should include the recognition of the principle of reparation for war damage inflicted;

2. considers that reparation should preferably be given in kind; in any case a state victim of an aggression will be entitled to appropriate all the possessions situated in its territory belonging to the aggressor state or to its nationals;

3. recommends that the equipment made available for reparation should be distributed to the injured nations as far as possible in accordance with their needs;

4. expresses the hope that the re-adjustment of the Level of Industry Plan will enable the German people both to subsist without imposing financial burdens upon any of the United Nations and to make good to the limit of their economic ability the damage their aggression has inflicted upon other nations.

On April 10, the principal debate and discussion revolved around the subject of codification of international law. Here the various countries presented their leading delegates in the presentation of views. Senator Homer Ferguson, of the United States, in a clear-cut analysis of the necessity for such codification, received an overwhelming demonstration of confidence on the part of the assembled delegates when he advocated addition of such measures as were possible to enact into international law as to bring about its enforcement "beyond the powers of moral suasion". The resolution itself, however, was referred to the Permanent Committee on Juridical Questions for further examination.

The following draft resolution, therefore, was submitted by Haekal Pasha to the Permanent Committee:

### **Codification of International Law**

The XXXVIth Inter-Parliamentary Conference, seeing that the work of codification of International Law, which has repeatedly figured on the agenda of Inter-Parliamentary Conferences since 1899, has now again taken on increased importance under present international circumstances;

seeing that Members of Parliament in all democratic countries play a foremost part in the direction and control of their country's international policy, and that, in the interests of the peoples who elected them, as in the col-

lective interests of humanity, whose representatives they likewise are, it is their duty to bring their contribution to, and to keep watch over, the application of the same principles of law and morality in relations between the nations as in relations between individuals;

seeing that, during the second world war, declarations of paramount importance for the evolution of international law were made by the spokesmen of the victorious democracies;

seeing that those declarations deserve to be preserved from oblivion;

seeing that they should, to this effect, be recorded in the shape of a code to be definitely adopted by a forthcoming Inter-Parliamentary Conference;

seeing that, moreover, such a vote would imply that the members of the various Parliaments affiliated to the Union endorsed those declarations—which, in most cases, were made by Governments, regarding themselves as directly bound by their terms and declaring themselves ready to direct the foreign policy of their respective countries on the lines thus indicated;

seeing that the Nuremberg Charter for the prosecution and punishment of the main war criminals has endowed international penal law with principles that are also worth codifying;

Now therefore, the XXXVIth Conference, decides to set up a special Inter-Parliamentary Committee which, taking as its starting-point the resolution adopted by the Inter-Parliamentary Union in 1928, shall be instructed to draw up in the form of a code the leading principles of international morality, as contained in the Declaration of the Four Freedoms, the Atlantic Charter, the Moscow and Teheran Declarations, the Act of Chapultepec, the Nuremberg Charter, and similar international documents, as also in the main international statements made during hostilities by the spokesmen of the great democracies and to which great prominence was given at the time in the world press.

That Code of the great moral principles of International Law of to-day and to-morrow shall be submitted to a forthcoming Inter-Parliamentary Conference, to be adopted in the shape of a resolution and then transmitted to the United Nations Organisation as a contribution from the Inter-Parliamentary Union to the work of codification provided for under Article 13 of the Charter.

The Conference also referred two amendments back to the Committee:

*Amendment presented by Mr. T. Wold (Norway)*

The XXXVIth Inter-Parliamentary Conference takes into account that the General Assembly of the United Nations at its meeting in New York October–December 1946 have decided to take up the work of Codification of International Law in accordance with article 13 of the Charter of the United Nations.

The promotion of Codification of International Law has through years been one of the most important tasks of the Inter-Parliamentary Union. It first figured on its agenda in 1899 and since then considerable work has been done

by the Union to solve this very important question in the field of international collaboration and peace.

The Inter-Parliamentary Union still holds the view that Codification of International Law is one of the most important tasks of international collaboration between the Nations of the World.

The political situation in the World today—the development of Public International Law—which has taken place during and after the war—and especially the remarkable step forward, which is signified by the treaty of 8th of August 1945—the basis of the Nuremberg trials—have laid a sound foundation upon which the work now can be performed.

All this makes it of paramount importance that the codification of International Law should be undertaken and brought to a final solution as soon as possible.

The Inter-Parliamentary Union wishes to express its deep satisfaction with the decision taken by the United Nations to take up the Codification of International Law. The Inter-Parliamentary Union urges that this work should be carried out with as much speed as possible—and not stop till the aim is reached.

The XXXVIth Conference in Cairo—where members of twenty-four parliaments are represented—speaking for the Inter-Parliamentary Union, asks that all Parliaments of the World should support the idea of Codification of International Law and through their governments make every effort and endeavour—which can lead to a successful result of this task.

*Amendment presented by M. Henri Rolin (Belgium)*

Lines 5 and 6 of paragraph 2 of the draft resolution presented by Haekal Pasha to read as follows:

“the principles of law in relations between the nations as in relations between individuals”.

The words “of international morality” in lines 5 to 6 of the next to the last paragraph and the word “moral” in the first line of the last paragraph to be omitted.

In the matter of the reorganization of the Inter-parliamentary Union for the necessary work in planning the immediate future, the following amendments were made to the statutes of the Union:

*Article 1*

The aim of the Inter-Parliamentary Union is to promote personal contacts between members of all Parliaments, constituted into National Groups, and to unite them in common action to secure and maintain the full participation of their respective States in the firm establishment and development of democratic institutions and in the advancement of the work of international peace and co-operation, particularly by means of a universal organisation of Nations. With this object in view, the Interparliamentary Union will also study and seek solutions for all

questions of an international character suitable for settlement by parliamentary action and shall make suggestions for the development of parliamentary institutions, with a view to improving the working of those institutions and increasing their prestige.

*Article 3*

The Inter-Parliamentary Union shall be composed of National Groups.

A Parliament may constitute itself a National Group of the Union.

Groups constituted within Parliaments of States not represented in any other Parliament have the right to join the Inter-Parliamentary Union.

One National Group only may be formed in each Parliament. Each Group shall elect a Bureau, with power to direct its operations and to correspond with the Inter-Parliamentary Bureau. It shall draw up its own rules of organisation and administration and fix the amount of the annual contribution, if any, of its members. It shall send to the Inter-Parliamentary Bureau, before the end of March of each year, a report of its activities and a list of its members.

*Article 5*

It is the duty of a National Group to keep its Parliament informed, through its Committee or through one of its members, of resolutions adopted at the Conferences which call for parliamentary or governmental action, and, not later than one month before the next following annual Conference, to report to the Bureau of the Inter-Parliamentary Union as to the action taken thereon.

*Article 10*

This Article has been referred to the Committee on Political and Organisation Questions for further study.

The following arrangements for traveling facilities were agreed upon:

The XXXVIth Interparliamentary Conference, convinced of the value of the free movement of all persons, including tourists, between countries, both to international goodwill and to national economy, resolves to urge upon the respective Governments the importance of supporting all recommendations promoting such free movement, on the lines agreed by all the representatives of the national tourist organisations of the 39 countries at their Conference in London from October 1st to 4th 1946.

On April 12, day of adjournment, the business of organizing the Interparliamentary Council, which will act between the 36th and 37th Conferences, was accomplished. Viscount Stansgate, Member of the House of Lords (Great Britain) was elected President of the Interparliamentary Council, and the following members were nominated by their groups to serve on the Council during the ensuing period:

## ACTIVITIES AND DEVELOPMENTS

America, United States of	Senator Alben W. Barkley and Karl Stefan
Austria	Eduard Ludwig and Paul Speiser
Belgium	Count Carton de Wiart and Robert Gillon
Bulgaria	Dr. Neytcheff and Gheorgli Slavtcheff
Czechoslovakia	Dr. Vl. Procházka and Alois Petr
Denmark	Hartvig Frisch and Ole Bjørn Kraft
Egypt	Dr. Mohammad Hussein Haekal Pasha and M <sup>e</sup> Mohammad Hamed Gouda
Finland	Fagerholm and Max Sergelius
France	Marius Moutet and Paul Bastid
Great Britain	Viscount Stansgate and Major J. Milner
Greece	Georges Cassimatis and Constantin Tsatsos
Hungary	Michel Karolyi and Dr. Emerie Oltványi
Iraq	Baha Uddin Nuri Pasha and Dr. Abdul-Majid Abbas
Italy	Cianca and Facchinetti
Luxembourg	Emile Renter and Hubert Clément
Netherlands	P. J. S. Serrarens and M. A. Reinalda
Norway	Natvig Pedersen and T. Utheim
Poland	Stefan Zólkiewski and I. Lech-ezieki
Roumania	Mihail Sadoveano and Vasile Louca
Sweden	G. Andrén and A. Vongt
Switzerland	Aymon de Senarclens and Ernst Boerlin-Widmer
Syria	Adnan El Atassi Bey and Ahmed El Charabati Bey
Turkey	Fazil Ahmet Aykag and Nazim Poroy
Yugoslavia	Vladimir Simitch and Dervish Tafro
Honorary President	Count Carton de Wiart (Belgium)

The Executive Committee of the Interparliamentary Council was thereupon organized.

Since the Interparliamentary Council had elected as its President Viscount Stansgate, he thus becomes *ex officio* President of the Executive Committee.

The Conference elected Dr. Mohammad Hussein Haekal Pasha, President of the Senate (Egypt),

and M. Vladimir Simitch, President of the Federal Council (Yugoslavia), to the two vacant seats on the Executive Committee.

The Committee will accordingly be composed of the following members during the coming year:

Lord Stansgate (Great Britain), President; Senator Alben W. Barkley (United States); Prof. Hartvig Frisch (Denmark); Dr. Mohammad Hussein Haekal Pasha (Egypt); M. Vladimir Simitch (Yugoslavia).

## Executive Order 9863

### DESIGNATING PUBLIC INTERNATIONAL ORGANIZATIONS ENTITLED TO ENJOY CERTAIN PRIVILEGES, EXEMPTIONS, AND IMMUNITIES<sup>1</sup>

By virtue of the authority vested in me by section 1 of the International Organizations Immunities Act, approved December 29, 1945 (59 Stat. 669), and having found that the United States participates in the following-named international organizations pursuant to a treaty or under the authority of an act of Congress authorizing such participation or making an appropriation therefor, I hereby designate such organizations as public international organizations entitled to enjoy the privileges, exemptions, and immunities conferred by the said Act:

1. United Nations Educational, Scientific, and Cultural Organization
2. International Civil Aviation Organization
3. International Telecommunication Union

The designation of the above-named organizations as public international organizations within the meaning of the said International Organizations Immunities Act is not intended to abridge in any respect privileges and immunities which such organizations may have acquired or may acquire by treaty or Congressional action.

This order supplements Executive Orders No. 9698 of February 19, 1946, No. 9751 of July 11, 1946, and No. 9823 of January 24, 1947.

HARRY S. TRUMAN

THE WHITE HOUSE

May 31, 1947

<sup>1</sup> 12 Federal Register 3559.



## Proposed Inter-American Military Cooperation

### THE PRESIDENT'S MESSAGE TO THE CONGRESS

[Released to the press by the White House May 26]

*To the Congress of the United States:*

I submit herewith for the consideration of the Congress a bill to be entitled "The Inter-American Military Cooperation Act" authorizing a program of military collaboration with other American States including the training, organization, and equipment of the armed forces of those countries.

I submitted a similar bill to the 79th Congress and recommended at that time that the Congress give the bill favorable consideration and enact it. The Committee on Foreign Affairs of the House of Representatives reported the bill with amendments to the Committee of Whole House as H.R. 6326. This present draft agrees with H.R. 6326. World developments during the year that has passed give still greater importance to this legislation, and I again ask the Congress to give this bill favorable consideration and enact it.

As stated in my message to the 79th Congress our Army and Navy have maintained cordial relations of collaboration with the armed forces of other American republics within the framework of the good-neighbor policy. Under authorization of the Congress, military and naval training missions have been sent to various American republics. During the recent war, even prior to Pearl Harbor, this collaboration was intensively developed on the basis of inter-American undertakings for hemisphere defense. Training activities were expanded, and under the Lend-Lease Act limited amounts of military and naval equipment were made available to the other American republics as part of the hemisphere defense program. Forces from two of the American republics participated in combat overseas, and others joined in the defense of the shores and seas of the Americas at a time when the danger of invasion of our continents was all too great.

The American republics have assumed new responsibilities, for their mutual defense and for the maintenance of peace, in the Act of Chapultepec

and the Charter of the United Nations. The close collaboration of the American republics provided for in the Act of Chapultepec, the proposed treaty to be based upon that act, and other basic inter-American documents, make it highly desirable to standardize military organization, training methods, and equipment as has been recommended by the Inter-American Defense Board.

I can find no better way to describe the intent and purpose of this bill than to repeat my message to the Congress of May 6, 1946.<sup>1</sup>

Under the bill transmitted herewith, the Army and Navy, acting in conjunction with the Department of State, would be permitted to continue in the future a general program of collaboration with the armed forces of our sister republics with a view to facilitating the adoption of similar technical standards. Certain additional training activities, not covered by existing legislation, would be permitted. The President would also be authorized to transfer military and naval equipment to the governments of other American states by sale or other method.

The collaboration authorized by the bill could be extended also to Canada, whose cooperation with the United States in matters affecting their common defense is of particular importance.

A special responsibility for leadership rests upon the United States in this matter because of the preponderant technical, economic, and military resources of this country. There is a reasonable and limited purpose for which arms and military equipment can rightfully be made available to the other American states. This Government will not, I am sure, in any way approve of, nor will it participate in, the indiscriminate or unrestricted distribution of armaments, which would only contribute to a useless and burdensome

<sup>1</sup> BULLETIN of May 19, 1946, p. 859.

armaments race. It does not desire that operations under this bill shall raise unnecessarily the quantitative level of armament in the American republics. To this end the bill specifies that amounts of non-standard material shall be sought in exchange for United States equipment.

It is my intention that any operations under this bill, which the Congress may authorize, shall be in every way consistent with the wording and spirit of the United Nations Charter. The bill has been drawn up primarily to enable the American nations to carry out their obligations to cooperate in the maintenance of inter-American peace and security under the Charter and the Act of Chapultepec which is intended to be supplanted by a permanent inter-American treaty.

It is incumbent upon this Government to see that military developments in which we have a part are guided toward the maintenance of peace and security and that military and naval establishments are not encouraged beyond what security considerations require. In this connection the bill provides that operations thereunder are subject to any international agreement for the regulation of armaments to which the United States may become a party. In addition, provision will be made for continuing coordination of the actual operations under the legislation with developing plans and policy in the field of armaments regulation.

In executing this program it will be borne in mind, moreover, that it is the policy of this Government to encourage the establishment of sound economic conditions in the other American republics which will contribute to the improvement of living standards and the advancement of social and cultural welfare. Such conditions are a prerequisite to international peace and security. Operations under the proposed legislation will be conducted with full and constant awareness that no encouragement should be given to the imposition upon other people of any useless burden of armaments which would handicap the economic improvement which all countries so strongly desire. The execution of the program authorized by the bill will also be guided by a determination to guard against placing weapons of war in the hands of any groups who may use them to oppose the peaceful and democratic principles to which the United States and other American nations have so often subscribed.

In entering into agreements with other American states for the provision of training and equipment as authorized by the bill, the purposes of this program will be made clear to each of the other governments.

HARRY S. TRUMAN

THE WHITE HOUSE,

May 23, 1947

## DRAFT OF A BILL

**To contribute to the effective maintenance of international peace and security pursuant to the objectives and principles of the United Nations, to provide for military cooperation of the American states in the light of their international undertakings, and for other purposes.**

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "The Inter-American Military Cooperation Act".*

SEC. 2. The President is authorized to enter into agreements with the governments of other American states to provide: (a) for the instruction and training of military or naval personnel of such countries, (b) for the maintenance, repair, and rehabilitation of military or naval equipment in possession of such countries, and (c) for the

transfer to such countries of any arms, ammunition, and implements of war as defined in the President's Proclamation Numbered 2717, of Feb. 14, 1947, or any superseding proclamation; any other aircraft or vessels; stores, supplies, services, technical information, material, and equipment: *Provided*, That such transfer shall be consistent with the military and naval requirements of the United States and with the national interest.

SEC. 3. Notwithstanding the provisions of any other law, the President is authorized in order to carry out agreements made under section 2 (a)

to provide instruction and training to military or naval personnel of any other American state, including but not restricted to instruction and training at service schools maintained and administered by the United States Army or Navy, or which may be established for this purpose, within territory under the jurisdiction of the United States, (b) to furnish to such students instruction and training, material, and supplies required for instruction and training, clothing for use while under instruction and training, medical treatment in military and naval establishments, and such subsistence, quarters, and Government transportation to and from their home countries and within the United States as it may be practicable to furnish in kind, (c) to furnish or transfer such services, technical information, and materials as may be necessary to test, inspect, prove, repair, recondition, or otherwise to place in good working order, military or naval equipment in the possession of such countries, and (d) to transfer, provide for the use of, dispose of, or to facilitate the sale of, to such countries any arms, ammunition, or implements of war as defined in the President's Proclamation Numbered 2717, of Feb. 14, 1947, or any superseding proclamation; any other aircraft or vessels; stores, supplies, services, technical information, material, and equipment.

SEC. 4. (a) Any agreement made pursuant to this Act shall contain an undertaking by the foreign government (1) that it will not, without the consent of the President of the United States, transfer title to or possession of any property transferred to it pursuant to this Act; (2) that it will not permit use of any property so received or disclosure of any plan, specification, or other information pertaining thereto, or any technical information furnished, by or to anyone not an officer, employee, or agent of such government or for any purpose other than those set forth in this Act; and (3) that such foreign government will make provisions comparable to those customarily made by the United States, for the security of any article or information received pursuant to this Act.

(b) Any agreement for the disposition of any article or information under this Act, shall fully protect the rights of all citizens of the United States who have patent rights in and to any such item which is hereby authorized to be disposed of

and the payment collected for royalties on such patents shall be paid to the owners and holders of such patents.

SEC. 5. The terms and conditions upon which the cooperation authorized under section 3 is extended to any country shall be such as the President shall find satisfactory, and the benefit to the United States may be payment or repayment in kind or property, or any other direct or indirect benefit which the President may determine to be adequate and satisfactory: *Provided*, That the terms for material or equipment transferred under section 3 of this Act, which is procured by the Government of the United States for the purpose of transferring it to a foreign government, shall be payment of not less than the cost to the United States; and, that the terms for material or equipment transferred under section 3 of this Act which is procured for the armed forces of the United States and is not declared by the Secretary of War or Navy, as the case may be, to be excess to the needs of the armed forces of the United States, shall be payment of a fair value, giving consideration to age, condition, and cost to the United States of replacement of such material or equipment: *Provided further*, That such transfer shall be consistent with the military and naval requirements of the United States and with the national interest: *And provided further*, That in arranging the terms and conditions for the transfer of any arms, ammunition, and implements of war, as defined by the President's Proclamation Numbered 2717 of Feb. 14, 1947, or any superseding proclamation, first consideration shall be given to requiring the transfer by the foreign government to the United States of any similar articles, weapons, aircraft or vessels not adapted to tables of organization and equipment of the armed forces of the United States. The value of such equipment received from the foreign government shall be computed on the same basis as the value of similar equipment disposed of, under existing laws and regulations, by the armed forces of the United States as surplus to their needs, and may be included as part of any compensation required.

SEC. 6. Any agreement, transaction, or undertaking made by the United States pursuant to this Act shall be subject to any general system for the regulation of armaments which may be adopted by the United Nations, and to any other international treaty or convention for the regu-

lation or limitation of armaments or arms traffic to which the United States may become a party.

SEC. 7. (a) There is hereby authorized to be appropriated from time to time, out of any money in the Treasury not otherwise appropriated, such amounts as may be necessary to carry out the provisions and accomplish the purposes of this Act.

(b) All moneys which may be received from the government of any American state in payment for any property procured by the War or Navy Department or furnished by such Department from stocks on hand and transferred pursuant to this Act shall, except as hereinafter provided, revert to the respective appropriation or appropriations out of which funds were expended in carrying out the transaction for which money is received. Such moneys shall be available during the fiscal year in which such funds are received and the ensuing fiscal year to replace the funds utilized for such procurement or to replace the property so furnished from stocks on hand: *Provided*, That where the Secretary of War or the Navy determines that such replacement of funds or property is not necessary, the amounts received shall be covered into the Treasury as miscellaneous receipts.

(c) The President is authorized, when he finds it to be in the public interest, to accept advances of funds from the governments of other American states for all or part of the expenses of any portion of the program authorized in this Act, and the amount so received shall be credited to appropriate appropriations or funds so as to be available to carry out the purposes for which the advance pay-

ment was made: *Provided*, That where the Secretary of War or the Navy determines that such replacement of funds or property is not necessary, the amounts received shall be covered into the Treasury as miscellaneous receipts.

SEC. 8. The President may, from time to time, promulgate such rules and regulations as may be necessary and proper to carry out any of the provisions of this Act, and he may delegate any power or authority conferred on him by this Act to such department, agency or officer as he shall direct.

SEC. 9. The President shall provide that the Congress be informed annually of all operations under this Act unless in any particular case he shall find the disclosure of information incompatible with the public interest.

SEC. 10. If any provision of this Act, or the application of such provision to any person or circumstance, is held invalid, the remainder of this Act or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

SEC. 11. The Act of June 15, 1940, entitled "An Act to authorize the Secretaries of War and of the Navy to assist the governments of American Republics to increase their military and naval establishments, and for other purposes" (22 U.S.C. 521 and the following), is hereby repealed.

SEC. 12. The authority conferred by this Act is in addition to any authority conferred by the Surplus Property Act of 1944 or any other provision of law authorizing transfers or disposals of property of the United States, and shall not be subject to regulations issued under any such laws or to the provisions of any law inconsistent herewith.

## Negotiations Planned for Implementation of Foreign Relief Bill<sup>1</sup>

### STATEMENT BY THE SECRETARY OF STATE

[Released to the press May 29]

With reference to the 350-million-dollar relief fund, that authorization bill has been sent to the President for approval together with a proposed Executive Order delegating authority under the act. It is expected that the President in accordance with the act will request the Reconstruction

Finance Corporation to make available immediately 75 million dollars to start operations. It is not planned to earmark definite over-all amounts for particular countries at this time. Tentative programs of shipments for the period June 1-September 30 have been developed. It is hoped to start shipments within a week or 10 days.

Draft agreements to be negotiated with the various governments covering the assurances specified

<sup>1</sup> Public Law 84, 80th Cong., 1st sess.

in the act and with regard to other matters concerning the program have been prepared. We expect to enter into negotiations within the next few days with several countries.

The key personnel to be used in the relief distribution missions is being recruited. I think it is

probable that the President within the next day or two will send to the Senate for confirmation the nomination of a field administrator. Plans are being worked out in the Department of Agriculture, the Treasury and War Departments to handle procurement and shipment of supplies.

**REGULATIONS FOR CARRYING OUT THE PROVISIONS OF THE JOINT RESOLUTION ENTITLED "JOINT RESOLUTION PROVIDING FOR RELIEF ASSISTANCE TO THE PEOPLE OF COUNTRIES DEVASTATED BY WAR"<sup>1</sup>**

By virtue of the authority vested in me by the joint resolution of May 31, 1947, entitled "Joint Resolution Providing for Relief Assistance to the People of Countries Devastated by War," hereinafter referred to as the joint resolution, and section 202 of the Revised Statutes, and as President of the United States, I hereby prescribe the following regulations for carrying out the provisions of the joint resolution:

1. The Secretary of State is hereby authorized:

(a) To exercise the authority vested in the President by sections 2, 3, and 4 of the joint resolution, except with respect to the appointment of the field administrator pursuant to section 4.

(b) To take such other action, not inconsistent with the authority reserved to the President, as may be necessary for providing relief assistance in accordance with the terms of the joint resolution,

including the making of such arrangements with the heads of other Executive departments, agencies, and independent establishments of the Government as may be necessary and proper for carrying out the provisions of the joint resolution.

(c) To exercise the authority vested in him by this order directly or through the field administrator appointed pursuant to section 4 of the joint resolution or through such officers and employees of the Department of State, including those of the Foreign Service, as he may designate to act on his behalf.

2. The field administrator shall act under the guidance and in accordance with the instructions of the Secretary of State.

HARRY S. TRUMAN

THE WHITE HOUSE  
May 31, 1947

**PROVIDING FOR THE TRANSFER OF PERSONNEL TO THE AMERICAN MISSION FOR AID TO GREECE AND THE AMERICAN MISSION FOR AID TO TURKEY<sup>2</sup>**

By virtue of the authority vested in me by the act of May 22, 1947, entitled "An Act to Provide for Assistance to Greece and Turkey," the Civil Service Act (22 Stat. 403), and section 1753 of the Revised Statutes, and as President of the United States, it is hereby ordered as follows:

1. Upon the request of the Secretary of State or his duly authorized representative, and with the consent of the employee and of the head of the department or agency concerned, any civilian employee of a department or agency in the Executive branch of the Federal Government who is serving under an appointment not limited to one year or less may be transferred to the American Mission for Aid to Greece or to the American Mission for Aid to Turkey.

2. The provisions of Executive Order No. 9721 of May 10, 1946, and regulations prescribed by the Civil Service Commission pursuant thereto, with respect to the transfer of personnel from the Executive branch of the Federal Government to public international organizations in which the United States Government participates, shall be applicable to the transfer of personnel under this order to the American Mission for Aid to Greece and the American Mission for Aid to Turkey.

HARRY S. TRUMAN

THE WHITE HOUSE  
May 31, 1947

<sup>1</sup> EX. OR. 9864 (12 *Federal Register* 35539).

<sup>2</sup> EX. OR. 9862 (12 *Federal Register* 3558).

## Relation of St. Lawrence Seaway and Power Project to National Security

### STATEMENT BY THE SECRETARY OF STATE<sup>1</sup>

As a former Chief of Staff I have been aware of the benefits which the St. Lawrence seaway and power project would bring to our country and especially as it relates to the security of the United States. More recently, since assuming my duties as Secretary of State, I have reappraised the project with regard to the strengthening of our economy.

I understand that since the subcommittee hearings were held a year ago under the chairmanship of Senator Hatch, you wish to confine the present hearings to two aspects of the project: first, self-liquidation of the seaway by tolls on traffic, and second, the national defense aspect of the project in the atomic age.

The Department of State supports the principle of self-liquidation by means of tolls levied on traffic using the new deep-water works. Section 3 of the Senate Joint Resolution 111, which your committee has under consideration, authorizes the President to negotiate an agreement with Canada, under the provisions of the boundary waters treaty of 1909, for the establishment of a tolls system. I am able to report that this matter has been discussed with Canadian Government officials and we have been informed that "the Canadian Government is prepared to agree to the principle of making the St. Lawrence seaway self-liquidating by means of toll charges subject however to the conclusion of arrangements satisfactory to both governments for the implementation of this principle".

Section 3 of the Senate Joint Resolution 111

<sup>1</sup> Made on May 28, 1947, at hearings before the Subcommittee of the Senate Committee on Foreign Relations, and released to the press on the same date.

lays down certain principles concerning the tolls system to be established. You will hear later the testimony of witnesses who are better qualified than I am to describe the detailed application of the tolls system. There are, of course, technical problems of complexity and magnitude. Section 3 provides that after investigation the two governments will negotiate during the construction of the project a new agreement defining the details of tolls and will submit it for the approval of the legislative bodies of both countries. In the case of the Panama Canal, the matter of tolls was considered during the latter part of construction in 1912, and a satisfactory system was developed just before the opening of the Canal in 1914. There does not appear to be any reason why an analogous time table cannot be successfully followed in the present case.

I should like, however, to point out that tolls will not be levied on traffic using the existing 14-foot canals on the Canadian side nor on navigation within the Great Lakes system nor on vessels traversing the "Soo" lock and connecting channels.

The St. Lawrence seaway project is an international enterprise. The support of the Department of State for the principle of self-liquidation is based in part upon the fact that comparable international projects such as the Panama Canal embody the tolls system.

This is a time of necessary financial retrenchment for the Government of the United States, and the St. Lawrence seaway project will cost a great deal of money. It therefore seems to us in the State Department that there is good reason for having the cost of the seaway construction paid

over the years by the traffic using the new facilities.

This brings me, Mr. Chairman, to the question of the national defense aspect of the project. The advantages are fourfold. First, the project would make it possible for us to build and repair ocean-going vessels in the relatively secure area of the Great Lakes. Vessels of up to 25 feet draft and 10,000 tons or more would be able to use the seaway. Vessels comparable to our Liberty ships of the last war could be constructed at shipyards on the Great Lakes.

The second advantage in the seaway project from the point of view of national defense is that it will provide a vital new line of communication in the heart of the industrial area of the United States and Canada, complementing the existing rail transportation and port facilities of the East and Gulf Coasts and serving incidentally as a reserve route in case other routes should be crippled. This route has the added advantage of protection from under-water craft at least a third of the way into the North Atlantic sea lanes.

Third, the project would create a tremendous source of electric power in an area which has no power development comparable to the TVA, the Columbia and the Colorado River projects. Apart from the benefits which this would confer upon industry in general throughout the northeastern area of the United States, we have, as an example, the part which the TVA and these Columbia Valley projects played in the atomic-energy research and development at Oak Ridge and Hanford.

The Joint Chiefs of Staff in 1946 stated that it was in the interest of national security to complete the St. Lawrence project. Under Secretary Acheson submitted at the hearings last year a letter addressed on February 16, 1946, to the Secretary of State by the Secretary of War communicating the opinion of the Joint Chiefs of Staff. I should like to request your permission to include a copy of the letter in the record. (Copy attached.)

I have mentioned three of the four major advantages which the seaway and power project would bring to our national defense. The fourth advantage flows from the other three and is implicit throughout my statement to you today. I mean the over-all economic and industrial advantage to the United States and to this continent which would follow upon the development of one of the

world's greatest waterways and one of the world's greatest sources of cheap and dependable power. The strength of the United States lies in its natural resources as we have developed them. It is the development of this power which has enabled us to defend ourselves successfully.

I come finally to our joint plans with Canada for the security of North America. You gentlemen are aware of the effective cooperation which existed between the two countries in the prosecution of the common war effort. The relationship was best symbolized on the economic side by the Hyde Park agreement, concluded by President Roosevelt and Prime Minister King in 1941, to mobilize the resources of the continent for the defense of the hemisphere. You are aware also of the establishment in 1940 of the Permanent Joint Board on Defense, United States-Canada, to "consider in the broad sense the defense of the north half of the Western Hemisphere". On February 12, 1947, the two governments announced that each had decided "that its national defense establishment shall, to the extent authorized by law, continue to collaborate for peacetime joint security purposes". These are the two outstanding symbols of our relationship with Canada and of our common concern for the security of the continent.

In this connection I want to read the following statement approved by the Permanent Joint Board on Defense, United States-Canada, at a recent meeting:

*"The St. Lawrence Seaway.* The Board considered the significance of the St. Lawrence seaway project from the point of view of the joint defense of the United States and Canada. It was recognized that the completion of a deep-water navigation route from the sea to the heart of the continent would provide additional facilities for the movement of ships and essential supplies in wartime and would also make possible the construction of oceangoing vessels in inland areas. Furthermore, the new source of power made available by the St. Lawrence project would greatly increase the defense potential of the two countries. It is therefore the view of the Board that the early completion of this long-delayed enterprise on a cooperative basis satisfactory to both governments would directly contribute to the security of the North American continent."

## LETTER TO THE SECRETARY OF STATE FROM THE SECRETARY OF WAR

*February 16, 1946.*

The Honorable

THE SECRETARY OF STATE.

DEAR MR. SECRETARY: In conformity with your request of November 5, 1945, the Joint Chiefs of Staff have examined the matter of the Great Lakes-St. Lawrence seaway and power projects and their effect on the national security.

The principal factors which influence the consideration of these projects in the interest of the national security are that, in the event of a national emergency, they would provide:

(a) Shipbuilding and ship-repair facilities, located in a relatively secure area, capable of expansion and of conversion for handling deep-sea vessels, which could be used to supplement coastal shipyards.

(b) An additional line of communication, navigable by ocean shipping, which could, by diversion of some cargo for overseas destinations, ease the strain during wartime on rail transportation and port facilities of the East and Gulf coasts. This seaway could also serve as a reserve route to be used in the event of interruption of other routes by enemy action.

(c) A large source of cheap, dependable power, which can be generated without the use of coal or other critical combustibles and without use of crowded rail or highway transportation facilities; this power would be available in an area which, during World War II, was a power-deficit area.

The foregoing factors prompted the Secretaries of War and the Navy to support the projects in 1941 in the interests of national defense. In the light of the experiences of World War II, in which total mobilization became a near actuality, it is evident that the prospective increase in our war potential that would have been contributed by these projects, had they been completed, would have been of material assistance in prosecuting the war. It is probable that attainment of success in any future world conflict would require utilization of the ulti-

mate production and transportation facilities of the United States and possibly Canada. The Joint Chiefs of Staff consider that it would be in the interests of national security to complete projects, such as these, which would have distinct military advantages and would materially increase the industrial and transportation potential of the United States.

Although the St. Lawrence Valley is a possible route for invasion of eastern North America, the Joint Chiefs of Staff consider that construction of the proposed works would not facilitate invasion by that route since the power plants, locks and canals could readily be rendered unusable in the event such action became necessary.

Sincerely yours,

ROBERT P. PATTERSON

*Secretary of War*

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## American Lecturers To Visit Other American Republics

[Released to the press May 26]

Five outstanding United States professors and one of America's most distinguished composers have been named as the first visiting lecturers on the staffs of cultural centers in the other American republics under the Department of State's program of cultural cooperation.

As well-known experts in various fields of the humanities, the visiting lecturers will augment exchange professors who are sent regularly to lecture posts in universities. During the period of their assignment, they will act as members of the centers' staffs, conducting classes, giving weekly lectures, and participating in numerous outside activities sponsored by the centers.

The first group of visiting lecturers includes: Aaron Copland, composer and conductor, to be sent to Rio de Janeiro and Buenos Aires, August 15-December 15; Arthur S. Aiton, professor of Hispanic-American history at the University of Michigan, now in Bogotá and remaining until August 1; Robert G. Caldwell, Dean of Human-



ties, Massachusetts Institute of Technology, to Lima, June 1–October 1; Kenneth J. Conant, professor of architecture, Harvard University, to Rio de Janeiro and Buenos Aires, June 3–September 22; William D. Hesseltine, professor of history, University of Wisconsin, to San José and Guatemala, June 1–December 1; and Philip W. Powell, associate professor of history, Northwestern University, now in Quito and to be sent to Santiago from August 1 to October 1.

The project, part of the Department of State's cultural-relations program, is conducted jointly by the Division of International Exchange of Persons and the Division of Libraries and Institutes.

The cultural centers, which are over 50 percent self-supporting, are managed by local boards of directors consisting of United States citizens living in the respective countries and nationals of those countries. The present program represents one of the many ways in which the centers are contributing toward friendly relations with the peoples of the other American republics.

## **Ecuadoran Engineer Visits U.S.**

Luis A. Eguéz, chief engineer of the construction department of the Caja de Pensiones of Ecuador, a social welfare agency for employees of the Government and banking houses of Ecuador, is visiting the United States at the invitation of the Department of State. He has been awarded a grant-in-aid by the Division of International Exchange of Persons to enable him to confer with colleagues and to observe Government and other housing projects in the United States.

Mr. Eguéz arrived in Washington May 19 and will remain in the Capital until June 9, after which time he will spend approximately nine weeks visiting cities in the East, the Middle West, the Southwest, and the Pacific Coast.

## **Special Deputies To Consider Disposition of Italian Colonies**

[Released to the press May 20]

The Department of State has been informed that the Soviet Government has agreed to the British Government's suggestion that a meeting of Special Deputies to the Foreign Ministers take place in London to implement the provisions of article 23 and annex XI of the peace treaty with Italy con-

cerning the disposition of the Italian colonies. The Governments of the United States and France have previously agreed to such a meeting and the British Government has now proposed June 6, 1947, as the date for the first session.

It is the view of this Government that the actual disposition of the colonies should not be discussed at this preliminary meeting. It is felt that the Deputies should, until such time as the peace treaty comes into force, confine their deliberations to such procedural matters as the formation of the Commission of Investigation which is to be sent to the Italian colonies. This Commission will ascertain the views of the local populations, and supply the Deputies with such other data as may be necessary to their consideration of this problem. It is anticipated that the Deputies will also decide on their future program, including the procedure for hearing the views of other interested governments.

Lewis W. Douglas, the American Ambassador in London, will be the United States Deputy. John E. Utter, who was assigned to North Africa during the war and who is intimately acquainted with problems in that area, will be the United States member on the Commission of Investigation.

## **Italian Blocked Accounts in U. S. Partially Released**

[Released to the press by the Treasury Department May 20]

The Treasury Department announced on May 20 that it is prepared, in appropriate cases, to grant licenses for payments to creditors of business organizations and individuals in Italy from blocked accounts in this country in which the debtors have an interest.

In announcing this step, Treasury Department officials pointed out that this announcement is a necessary preliminary to the establishment of any procedure for the release of Italian blocked assets in the United States. In this connection, Treasury Department officials referred to the letter of April 15, 1947, from Acting Secretary of State Acheson to Senator Vandenberg, which was subsequently made public, wherein it was stated that the policy of the United States is directed toward the release or return of Italian property in the United States which is blocked or has been vested.

It was stated that, in general, an application for such a license should be supported by a payment instruction or other acknowledgment by the debtor executed after September 3, 1943, the date of the armistice with Italy. If an application is based on a court judgment, evidence should be submitted that the debtor has received actual notice of the proceedings and has had a reasonable opportunity to appear.

## **U.S.-Italian Talks on Settlement of War Claims**

[Released to the press May 21]

As was agreed at the time of the visit to the United States of Alcide de Gasperi, then Italian Prime Minister, in January 1947, the Governments of the United States and Italy have initiated discussions in Washington looking toward a general settlement of financial and related problems arising out of the war. The Italian Government is represented in these discussions by Ivan Matteo Lombardo, Chief of the Italian Delegation, and the United States Government by Willard L. Thorp, Assistant Secretary of State for economic affairs. Seymour Rubin, Assistant Legal Adviser for economic affairs, has been appointed as Chief Assistant to Mr. Thorp in these negotiations.

The discussions will include references to outstanding governmental claims arising out of the war, the question of disposition of Italian property blocked and vested in the United States, the satisfaction of claims of United States nationals not specifically provided for in the treaty of peace with Italy signed at Paris February 10, 1947, and problems connected with prewar debts owing to United States nationals.

## **Position on Possible Revision Agreement on Defense of Greenland**

### **STATEMENT BY THE SECRETARY OF STATE**

[Released to the press May 29]

I am informed that the Danish Government will probably publish either today or tomorrow the text of a note requesting the United States to enter into consultations in connection with the agreement regarding the defense of Greenland concluded with the Danish Minister in Washington on April

9, 1941. This agreement, at a time when Denmark was powerless because of the Nazi occupation to act in its own behalf, made it possible to preserve Danish sovereignty over Greenland and prevent the Nazis from gaining a foothold in the Western Hemisphere. German detachments which had already landed in Greenland were expelled, and adequate defense installations were constructed by the United States on the hitherto defenseless island. In taking this step, the United States acted with scrupulous respect for Danish sovereignty and in the interest of Denmark as well as of this country. The 1941 agreement was unanimously ratified by the Danish Parliament following the liberation of Denmark in 1945. Greenland remains of the greatest importance as a link in the defensive system of the United States and of the Western Hemisphere.

We have informed the Danish Government that, as stated by Secretary Byrnes to the Danish Foreign Minister in December 1946, we are ready actively to explore with his government at any time the basis of some new agreement in keeping with the letter and spirit of the Charter of the United Nations which would take fully into account Danish sovereignty over Greenland and legitimate United States and hemispheric defense requirements.

## **France Welcomes Additional Grain Allocation From U.S.**

[Released to the press May 22]

The Department of State received on May 22 a communication from the French Embassy referring to the additional allocation of 150,000 tons of corn which was made to France on May 15, 1947, to assist the latter in meeting its critical grain shortage. The note states that this supplementary allocation, added to the more than 500,000 tons of grain already allocated to France within the last several months, has been received by the French people with the greatest possible satisfaction. The French Government is most grateful for the sympathetic understanding demonstrated by the United States with respect to the situation in France and for the constant effort of American services to permit the delivery of the grains thus allocated.

## Netherlands-United States War Accounts Settlements

A complete and final settlement of war accounts between the Netherlands and the United States was signed in Washington on May 28 by Secretary of State Marshall and Dr. A. Loudon, the Netherlands Ambassador. The settlement, which provides for payment by the Netherlands of \$67,500,000 over a period of years, covers lend-lease and reverse lend-lease, the United States share of civilian supplies furnished by the Allied armies to the Netherlands as military relief, and claims of each Government against the other which arose out of the war. It also includes new terms of payment of existing credits of \$130,000,000 for the purchase of United States surplus property abroad.

The following statement by the Secretary of State was released to the press after the signing of the settlement documents:

"The Dutch Merchant Marine and the Dutch Navy carried on valiantly from the moment of Germany's attack. Inside Holland, although the country was quickly overcome, the underground remained in contact with Great Britain, contributing highly important intelligence to the Allied cause and leading a steady civilian resistance to the German occupier. Toward the end of the fighting in Europe, when General Eisenhower appealed to the people of Holland to obstruct the German Army by acts of sabotage, they responded magnificently by paralyzing the railways through a general strike at great personal risk. In these and other ways the Dutch people helped significantly to hasten the Allied victory."

On the occasion of the signing of the Netherlands-United States War Accounts Settlements, Dr. A. Loudon recalled on how grand a scale the lend-lease program was conceived and carried out, how mighty a contribution it was to the common war effort, yet without causing any disturbance to the financial equilibrium between the Allies.

He praised the excellently organized and unstinted importation into the Netherlands of relief goods, shortly before and after the liberation by the Allied armies, as an example of Allied coop-

eration and solidarity, by which the Netherlands was saved from a dire calamity. Also in this program, he stated, the United States was the greatest supplier.

The Ambassador further declared that, in consequence of the liberal terms of the agreement just entered into by the two countries, the people of the Netherlands will not remember it as an arrangement for oppressive payments during a great number of years but will cherish its memory with lasting and unmixed feelings of gratitude.

Following the pattern of most previous settlements, the United States asks no payment for pre-V-J Day lend-lease supplied to the Netherlands armed forces or for the relatively small amount of supplies and services for civilian use consumed before V-J Day. These together amounted to approximately \$118,000,000. Also, in view of the other terms of the settlement, the United States is asking no payment for approximately \$190,000,000 worth of civilian supplies furnished as military relief in the Netherlands and the Netherlands Indies. These supplies were provided as a matter of military necessity, mostly as part of a joint Allied program, in order to prevent disease and unrest behind the lines. On its side, the Netherlands is asking for no payment for reverse lend-lease before V-J Day valued by it at approximately \$37,000,000.

The net amount of \$67,500,000 to be paid to the United States includes payment in full for lend-lease supplies held by the civilian branches of the Netherlands Government on V-J Day and supplies and services furnished subsequently in the lend-lease "pipeline". The agreement does not affect the obligation of the Netherlands Government to return 56,737,341 ounces of lend-leased silver bullion valued at approximately \$40,000,000 at the time of transfer.

The United States will make payments totaling about \$25,000,000 on certain claims and other amounts agreed to be due as listed in the settlement agreement. About \$21,800,000 of this total

will be paid within the next few days, and simultaneously the Netherlands will make a down payment of \$19,500,000 on the \$67,500,000 due under the settlement. It is contemplated that a further payment on the \$67,500,000, amounting to approximately \$13,700,000, will be made in Netherlands currency for educational programs agreed with the Netherlands or in grounds and buildings for our diplomatic mission and consulates in Netherlands territory.

The remaining \$34,300,000, plus any amount of the \$13,700,000 not taken up in Netherlands currency or real property for the educational and buildings programs, is payable in dollars in 30 annual instalments. The first instalment of principal is payable July 1, 1951. Interest under the settlement is at 2 percent, and the first payment of interest will fall due July 1, 1947. These same credit terms are made applicable to the existing \$130,000,000 surplus-property credits.

The two Governments have agreed upon procedures for payment and settlement of financial obligations of the United States armed forces incurred while in Netherlands territory. As part of the settlement Netherlands currency holdings of the United States armed forces are being turned over to the Netherlands Government.

Each Government reserves the right of recapture of certain arms furnished to the other on lend-lease or reverse lend-lease.

In connection with the settlement and in view of the undertakings of the Netherlands, including payment of the amounts specified in the agreement, a separate arrangement was concluded on May 28 by the United States, the United Kingdom, and the Netherlands under which the United States waives a claim against the United Kingdom for approximately \$1,400,000 arising from shipping matters, and the United Kingdom waives a corresponding claim in the same amount against the Netherlands.

In view of the settlement the Netherlands has withdrawn certain claims against the United States, totaling more than \$3,000,000, for additional compensation for property of the Netherlands Government requisitioned for war purposes in the United States in 1917 and 1918.

For texts of the settlement agreement and related papers, see Department of State press release 435 of May 28.

## Proclamation of the 1946 Sugar Protocol

[Released to the press May 28]

The President on May 27, 1947, proclaimed the protocol of August 30, 1946, prolonging for one year after August 31, 1946, the international agreement regarding the regulation of production and marketing of sugar signed at London May 6, 1937.<sup>1</sup> The protocol was signed on behalf of the Governments of the United States of America (with a reservation "subject to ratification"), the Union of South Africa, the Commonwealth of Australia, Belgium, Brazil, Cuba, Czechoslovakia, the Dominican Republic, the French Republic, the United Kingdom of Great Britain and Northern Ireland, Haiti, the Netherlands, Peru, the Republic of the Philippines (with a reservation "subject to ratification for and in the name of the Republic of the Philippines"), Poland, Portugal, the Union of Soviet Socialist Republics, and the Federal People's Republic of Yugoslavia. The protocol was approved by the Senate on April 24, 1947, and was ratified by the President on May 7. The instrument of ratification by the United States was deposited in the archives of the British Government on May 20, 1947.

Under the provisions of articles 1 and 2 of the protocol, the international agreement of May 6, 1937, regarding the regulation of production and marketing of sugar is continued in force for one year from August 31, 1946, with the exception of chapters III, IV, and V of the agreement, which are inoperative during that period. Article 3 provides that the signatory governments recognize that revision of the agreement is necessary and should be undertaken as soon as the time appears opportune, with the existing agreement constituting a basis for discussion of any such revision. It is provided also in article 3 that, for the purpose of such a revision of the agreement, due account shall be taken of any general principles of commodity policy embodied in any agreements concluded under the auspices of the United Nations. Article 4 provides that before the conclusion of the period of the one year specified in article 1 the contracting governments will, if the steps contemplated in article 3 have not been taken, discuss the question of a further renewal of the agreement.

<sup>1</sup> S. Exec. E, 80th Cong., 1st sess. See also BULLETIN of Mar. 23, 1947, p. 552.

## Czechoslovakia Ready To Discuss Nationalization Compensation Claims

[Released to the press May 22]

On February 19, 1947, the Department of State outlined the various procedural steps it had been advised were necessary to obtain compensation with respect to enterprises nationalized in Czechoslovakia.<sup>1</sup> The Department has been further advised that representatives of the Czechoslovak Government are now prepared to discuss settlements in Praha directly with the representatives of the American claimants, even if the above-mentioned procedural steps have not as yet been taken.

## Exchange of Students and Teachers Resumed

The first large-scale exchange of students and teachers between the United States and Europe since the war will begin on June 6 with the sailing of the first of two ships especially allocated for this purpose.

The exchange was arranged by the Division of International Exchange of Persons (IEP) of the Office of International Information and Cultural Affairs of the Department of State. It is the first time in history that such a large-scale educational interchange has been undertaken. IEP is cooperating with the Institute of International Education, a private organization in New York, in arranging for the educational interchange. Since the individuals traveling to and from Europe will pay their own expenses and the Institute is bearing the administrative cost of the project, this vast undertaking will be carried out at no cost to the American taxpayer. Inquiries concerning this project should be directed to the Institute headquarters at 2 West 45th Street, New York City.

The two vessels, the *Marine Jumper* and the *Marine Tiger*, each capable of carrying 925 passengers, will make four round trips to Europe during the summer. They will carry about 7,000 students and teachers from more than 35 organizations who plan to study abroad and will bring many other European students and teachers for studies in the United States.

## Appointment of Members to Military Tribunal

On May 31, 1947, by Executive Order 9858 (12 *Federal Register* 3555), the following persons were appointed to serve on military tribunals established by the military governor for the United States zone of occupation within Germany:

Charles B. Sears, formerly Associate Judge of the Court of Appeals of New York; William C. Christianson, formerly Associate Justice of the Supreme Court of Minnesota; and Frank N. Richman, formerly Judge of the Supreme Court of Indiana, as the members; and Richard Dillard Dixon, formerly Judge of the Superior Court, North Carolina, as the alternate member.

Exchanges of students between the United States and Europe, which were completely disrupted during the war, were resumed on a small scale last year. The two ships were allocated this year by the United States Maritime Commission after a White House conference arranged by IEP with John R. Steelman, assistant to the President.

Groups sailing on these ships will include students and teachers sponsored by the American Friends Service Committee, the World Conference of Christian Youth, the Girl Scouts, the World Federation of Education Associations, the University of Minnesota Summer Project, the Harvard Student Council, the Fontainebleau School, and the Yale Department of Education. A number of international scientific conferences will be made possible as a result of this project; among them are the International Congress of Microbiologists and the Fifth International Congress of Pediatrics.

A total of about 450 teachers of the World Federation of Education Associations will attend seminars in England, France, Denmark, and Switzerland this summer. About 250 members of the Youth Hostels organization will visit Belgium, the Netherlands, France, and the United Kingdom to rebuild hostels destroyed during the war.

Later sailings of the two vessels will include

<sup>1</sup> BULLETIN of Mar. 2, 1947, p. 397.

delegations to the World Conference of Christian Youth to be held at Oslo, students of the University of Minnesota for field studies in four countries of Europe, and a delegation from the Student Council of Harvard University to attend the first postwar summer seminars at Salzburg, Austria. Most of the groups include former members of the armed services who are studying under the so-called "GI bill of rights".

The Division of International Exchange of Persons, one of the five operating divisions of OIC, is responsible for stimulating and facilitating stu-

dent and teacher exchanges to promote international understanding. In addition to aiding private organizations in the exchange of students in all parts of the world, IEP arranged for the governmental exchange of specialists and technicians between the United States and the other American republics. On May 6, 1947, Representative Karl E. Mundt, Republican, of South Dakota, introduced a bill, H. R. 3342, the "United States Information and Educational Exchange Act of 1947", to extend the exchange of persons to other parts of the world.

## Voice of America Closes Relay Station in Algiers

### BROADCAST OF FINAL PROGRAM

[Released to the press May 31]

Final programs of the Voice of the United States of America over United States Government transmitters in Algiers were broadcast May 30, bringing to an end a wartime agreement made between the two countries after the Allied landings in North Africa in 1942.

The final program included statements by Henri Bonnet, French Ambassador to the United States; William Benton, Assistant Secretary of State for public affairs; and William R. Tyler, Assistant Director of the Department's Office of International Information and Cultural Affairs, in charge of areas. Ambassador Bonnet was Commissioner of Information for the French Government at the time the Algiers relay was opened in June 1943, and Mr. Tyler was in charge of the relay station for the United States Government. Ambassador Bonnet and Mr. Tyler spoke in French.

Mr. Benton, in commenting on discontinuance of the Algiers relay, pointed out that it had been established as a military station in time of war with a tacit agreement with the French Government to withdraw after the end of the war. Mr. Benton said that the relay had been operated since the war through the courtesy of the French Government, while the United States was making surveys for the establishment of other peacetime relay points. He expressed deep appreciation for the cooperation of the French Government in permitting relays of the Voice of America through Algiers and also over the French national radio network.

The 1948 budget of the Office of International Information and Cultural Affairs included a request for \$6,168,000 for the erection of two new radio relay centers replacing those at Algiers and to step up the power of Voice of America broadcasts to the Balkans and Middle East. Engineering surveys are considering other points for the establishment of new relay stations but negotiations have not yet been undertaken.

The Algiers station went on the air on June 14, 1943, as the United Nations Radio in Algiers and played an important role in the psychological warfare preceding the surrender of Italy and the Allied landings in Normandy and southern France. The three transmitters at Algiers formed an important link between the Allied forces and the resistance forces in France. General instructions, directives, and secret messages to the French forces of the interior were relayed through Algiers.

Since the end of the war programs of the Voice of America have been relayed in 10 languages over two short-wave transmitters at Algiers for 43¼ hours daily. The third transmitter, which was for medium wave, was recently discontinued.

The 10 languages relayed through Algiers were Austrian, Bulgarian, Czechoslovak, English, French, German, Italian, Polish, Rumanian, and Serbo-Croatian. Programs in these languages will now be relayed through transmitters at Munich in addition to the existing relays over facilities of the British Broadcasting Corporation.

## STATEMENT BY AMBASSADOR BONNET

"The American and French radio stations at Algiers bring back moving recollections to me. They recall the time when, from a liberated North Africa, not far distant from a France occupied by the enemy, not far distant from the Frenchmen anxiously awaiting the arrival of their brothers and Allies, we worked eagerly to establish contact with them. We were then hastily organizing the radio services which were to enable us to speak to them. To the insufficient equipment we found on the spot was soon added equipment from the United States. For 15 months, months which we knew represented for France a period of patient waiting, of suffering, of alternate hopes and disappointments, the American and French radio stations, inspired by the same faith, were to work together in comradeship and confidence, doing their best to answer the call which, at the peril of their lives, members of the French Underground

were sending them from France. Algiers, capital of Free France, exemplified what cooperation should be between allied peoples.

"This great lesson will not be lost. It is with regret that I see this daily work, accomplished side by side, come to an end. However, we shall doubtless find occasions to renew it in another form but with the same determination to bring about an understanding between the peoples of France and America, so that they may know each other better and may appreciate each other more fully every day. I know that we can rely on Mr. Benton, the American Assistant Secretary of State, and on the powerful American radio companies to strengthen the bonds uniting our two nations. May our two countries set an example for the whole world, and may they contribute to make radio what it can and should be—a powerful instrument of friendship and peace."

## STATEMENT BY ASSISTANT SECRETARY BENTON

"Nearly four years ago the first radio program was transmitted over the American broadcasting facilities in Algiers.

"We started building this new station shortly after the North African landings, and it was just a few months later—in June 1943—that the first of the three transmitters was ready.

"The day when the station first went on the air was June 14—United Nations Day—and the station was called United Nations Radio.

"This date and this name are significant, for it is in the spirit of the United Nations in wartime—and, after victory, in peacetime—that its broadcasts have been conceived and carried out.

"United Nations Radio in Algiers played an important part in the war years:

"It told the enemy of the growing and inexorable power of the Allies, foretelling the victory which swept away Hitler's dreams of conquest.

"It told our friends awaiting liberation on the soil of Europe of the progress of our arms.

"In the weeks before and after the successive Allied landings it conveyed military instructions and advice to the gallant soldiers of the resistance, striking at the enemy from within.

"Since the war, the Algiers Radio has continued

to relay broadcasts from the United States in several languages to the continent of Europe.

"Thus I believe that it has played an important role in bringing to a numerous and varied audience news and information about the United States and its position in world affairs.

"I am sorry that it has not proved possible to come to an agreement so that these relays from Algiers would continue after May 31, but you will continue to hear many of these programs directly from the United States and over other relay facilities, and I am confident that ways will be found to bring to the radio audiences of Europe an increasing volume of news about the United States; the age of mass communication between the peoples of the earth has only just begun.

"In conclusion I wish to pay tribute to Monsieur Bonnet, Ambassador of the French Republic in Washington, who was Commissioner of Information in Algiers in 1943. His cooperation and active assistance contributed greatly to the establishment and success of the United Nations Radio in Algiers and laid the foundation for the very friendly relations which we enjoy with the French Government's radio in France today."



## German War Documents Project: Participation of French Government

[Released to the press simultaneously in London and Washington May 19]

French scholars will participate in the task of selecting for publication captured documents on German foreign policy, the Department of State and the British Foreign Office announced on May 19. The French Government, like the British and American Governments, has agreed that the record of German foreign policy preceding and during World War II should be established by publication of German Foreign Office documents and other related papers and that the evidence should be collected for publication by outstanding historians of high reputation. The three governments are agreed that the historians should be guided in their task exclusively by the highest standards of scholarly objectivity. The governments are putting all German records in their possession at the disposal of the editors, and will allow the editors complete freedom to choose those documents needed to understand German foreign policy.

The Anglo-American editors decided last December to publish first the volumes covering the years 1937-41. Since the German Foreign Office records for these years are vast in bulk, covering hundreds of thousands of pages, the selection of material for publication is not yet completed. The Anglo-American editors have gone far enough, however, to be certain that the captured German archives are substantially complete. In the closing days of the war, the Nazi leaders tried to destroy the evidence, and some files were burned. However, some of the Germans who were ordered to burn dangerous files of papers disobeyed their instructions. In this way Ribbentrop's private file and the records of Hitler's talks with foreign statesmen were preserved. Moreover, because of the complex filing system of the German Foreign Office, it was almost impossible to destroy all copies of a document.

The high traditions of French scholarship will be of great assistance in this task of establishing the history of German foreign policy from records written by the Germans themselves. The French Government has agreed to accept the work already accomplished and the publication policies already established by the Anglo-American editors. The

participation of French scholars will therefore entail no loss of time in the completion of the publication. In June there will be a meeting of the American, British, and French historians in Berlin to complete the editorial plans.

## First American Airplane Lands in Yemen

[Released to the press May 29]

Early in the morning of May 26, the first American airplane landed at Sana'a, the capital of Yemen. Although a small number of British, French, and Italian airplanes visited Yemen during the 1930's, this was the first time an American plane has landed anywhere in the Kingdom.

Furthermore, it is the first plane of any nationality to land at Sana'a in the last eight years, for the airstrip which formerly existed on the plain to the southwest of the city was plowed up before the last war. More than 2,000 Yemeni laborers have been working for the past three months with handscrapers, baskets, and primitive horse-drawn equipment to make this airstrip serviceable. Sana'a is a city of about 70,000 inhabitants and is situated in the mountains at an altitude of 7,600 feet, 200 miles east of the Red Sea.

The plane which landed on May 26 was a C-47 assigned to Col. William K. McNown, the American military attaché at Cairo. Harlan B. Clark, second secretary of the United States Legation at Jidda, who has been to Yemen more than any other United States Government official, was in the plane at the time. As soon as it was established that the airstrip was operational, the plane flew back to Aden and returned with Harold Glidden, a cultural-relations officer with the Department of State, and Seif El Islam Abdulla. Prince Abdulla went to Sana'a to discuss with his father, the Imam Yahya, the details of the \$1,000,000 surplus-property agreement which the Prince signed last week with United States Government officials in Cairo.

The plane trip from Aden to Sana'a took two hours, in contrast to the 11 days required for the trucks accompanying the special United States diplomatic mission to Yemen, under Colonel Eddy, which went up to the Yemeni capital last year.

Department of State Bulletin



## Air-Transport Agreement With Union of South Africa

The United States and the Union of South Africa signed a bilateral air-transport agreement on May 23, 1947. The agreement was signed by Minister Thomas H. C. H. on behalf of the United States Government and by Field Marshal Jan Christiaan Smuts on behalf of the Government of the Union of South Africa.

The agreement<sup>1</sup> is generally of the standard form concluded by the United States with other governments and is patterned after the air-transport agreement between the United States and France. Under its terms Pan American Airways will be authorized to serve Johannesburg on its route from the United States via the Azores and the west coast of Africa, and to serve Capetown on the route from the United States via Natal, Brazil, and Ascension Island.

In addition to the text of the agreement, the two Governments concluded an exchange of notes which amplifies the terms of article IX providing for the method of handling disputes which may arise under the agreement. By the terms of the

notes, both Governments agree that "in the event either contracting party should find itself unable to carry out the terms of an advisory report which recommends rectifying action on the part of both contracting parties, the contracting party which finds itself unable to carry out the terms of such an advisory report shall so notify the other contracting party which, upon receipt of such notification, will not necessarily be bound to carry out the terms of such an advisory report."

### ILO Delegation—Continued from page 1111

(b) financial regulations; (c) the ILO Industrial Committee program; and (d) plans for regional meetings. The Governing Body consists of representatives of 16 governments, 8 employers' representatives, and 8 workers' representatives.

As the executive body of the International Labor Organization, the Governing Body meets four times a year to receive reports on the activities of the Office, to outline the future work of the Office, and to prepare the agenda for the annual conference sessions. The 101st Session of the Governing Body was held at Geneva in March 1947.

## Position of Department of State on Proposed Wool Import Duty

### STATEMENT BY THE SECRETARY OF STATE

[Released to the press May 29]

The State Department is opposed to the House amendment to the wool legislation now under consideration. Wool is the key commodity in the Geneva negotiations to expand trade through the reduction of trade barriers. It is by far the most important export and source of dollars of Australia, New Zealand, and the Union of South Africa. We cannot expect them to cooperate with us in reducing trade barriers if we increase duties on their wool. Without their participation, the remainder of the British Commonwealth cannot, as a practical matter, join with us in a mutually advantageous program.

Wool is also a symbol of our intentions in foreign trade. If we adopt higher tariffs in the present bill, other nations will conclude we cannot or will

not live up to our professed policy of international cooperation. They will turn to trade restrictions and bilateralism to protect themselves. On the other hand, expanding trade between the United States and other nations will not only help us sell our surplus products but also will allow them to earn the dollars they need to reconstruct their economies and to protect their democratic institutions.

The wool bill as passed by the Senate would protect the wool industry in the United States by direct payments from the Commodity Credit Corporation. The indirect cost of these payments to the public as taxpayers would be far less than the cost of the increased tariff provided by the House amendment to the public as consumers.

<sup>1</sup> For text of agreement and notes, see Department of State press release 430 of May 23, 1947.

## Need for Extension of Certain War Powers

### THE PRESIDENT'S MESSAGE TO THE CONGRESS

[Released to the press by the White House May 23]

*To the Congress of the United States:*

In March of this year the Congress passed and I approved a bill known as the First Decontrol Act of 1947, extending for three months a few of the powers originally granted in the Second War Powers Act.<sup>1</sup> This extension was authorized to enable the Congress to make a further review of the specific controls needed during the coming year.

Since the enactment of this law, the interested departments have reexamined the need for continuation of these powers. Their review shows that it is still essential to maintain certain limited materials controls, in order to prevent harm to our own economy and give concrete support to our foreign policy.

Since V-J Day, American industry, agriculture and labor have established notable production records. If production abroad had reached similar heights, no materials controls at all would be needed today. But the progress of world reconstruction has been necessarily difficult and slow. In a few respects the United States has been adversely affected by this delay, and therefore, in a few instances, controls over certain imported commodities are still needed. However, any adverse effects suffered by us are slight in comparison with the tragic conditions of life faced by most countries of the world today. It is primarily because of these conditions, with their enormously important political and social repercussions, that we must still retain a very limited portion of our wartime powers over materials.

The remaining powers which it is necessary to retain fall into two groups:

(1) Allocation and priority powers to maintain the stability of our economy.

(a) While our economy is still hampered by the lack of a number of imported materials, there are only a few in which the lack is so serious and the

importance so great that continued controls are required. The need in these cases is well known.

Specifically, it is necessary to continue the power to allocate the following imported materials: tin and tin products, manila and agave fibres and cordage, antimony, cinchona bark, quinine and quinidine. Except in the case of tin products, where the allocation of tin plate is also essential to the solution of world food problems, the continuation of these controls is solely for the purpose of assisting our own industry and agriculture.

(b) As a corollary to the above, it is also necessary to continue the power to issue export priorities for materials needed to increase the production abroad of products that we urgently need in this country. This is a matter of direct and immediate self-interest.

(2) Allocation and priority powers needed to carry out our foreign policy and to assist in world reconstruction.

(a) *Foods.* Our own food production has reached great heights, and our own food supplies are excellent. In contrast the food situation abroad continues to be desperate. For that reason we are actively participating in the International Emergency Food Council, which is a noteworthy example of practical international economic cooperation. Our participation in this activity conforms with our national ideals and interests. But participation is not merely a matter of words. We must be able to take the steps necessary to make certain that we do not add to the hunger of other peoples by importing more than our agreed share of scarce foods. I recommend, therefore, continued authority to maintain import controls on fats and oils, and rice and rice products.

(b) *Fertilizer.* The world fertilizer situation is similar to, and is directly related to, the world food situation. While our own fertilizer production and consumption have risen spectacularly since the pre-war period, supplies available to foreign countries have fallen sharply. This has resulted in retarded agricultural recovery, loss of

<sup>1</sup> See BULLETIN of Feb. 23, 1947, p. 362, and Apr. 13, 1947, p. 676.

food production and consequent malnutrition over widespread areas. The lack of fertilizer is particularly acute in the case of nitrates. It is therefore essential that there be continued authority to restrict imports and to issue priorities for export of nitrogenous fertilizer materials.

(c) *Industrial materials.* In general our supply of industrial products and materials has reached the point where delays in production and delivery are no longer crucial. The pipelines are full, or are filling up, and no general use of allocation powers is needed. But economic and political conditions in many other countries are so critical that it is necessary to continue the power to issue export priorities in special cases for key industrial items that are vitally required for reconstruction and rehabilitation. In most countries, supplies of industrial materials and products are still far short of minimum essential levels. Entirely apart from the use of priorities, the United States is furnishing substantial quantities of industrial equipment and supplies so urgently needed to reactivate the economies of these countries. However, great damage can be done by inability to obtain an occasional machine, or machine parts needed to complete a program or project. It is in such cases that priority assistance is needed. The Congress has already recognized the importance of supporting our foreign policy with financial assistance. Financial assistance alone, without occasional priority backing, may be useless in instances where speedy aid in concrete form is essential. The use of the priority powers that I am recommending would be limited to cases certified by the Secretary of State to be of high public importance and essential to the successful carrying out of the foreign policy of the United States.

In this message I have not considered it necessary to discuss certain powers originally derived from the Second War Powers Act but now covered by separate legislation, i.e., the Sugar Act, the Rubber Act and the Patman Act. I have also omitted reference to the great importance of continued authority to allocate the use of transportation equipment and facilities by rail carriers. This matter is covered by separate bills, H.R. 3152 and S. 1297, now pending before the Congress. Prompt action on these bills is urgently needed. Similarly, the Congress now has under consideration an extension of the Export Control Act. It,

too, is essential in implementing our foreign policy. I also urge prompt action on this bill.

The further extension of the Second War Powers Act in the limited form described above is of direct interest to our own economy and is indispensable in supporting our international policy. The powers that I have outlined are the minimum needed to accomplish these ends. I therefore recommend that the Congress enact legislation to extend these powers for a period of one year.

HARRY S. TRUMAN

THE WHITE HOUSE,  
May 22, 1947

### **"Protection of Foreign Interests"**

The Department of State released on May 24 a 331-page publication entitled *Protection of Foreign Interests: A Study in Diplomatic and Consular Practice* (publication 2693) by William McHenry Franklin, now Assistant Chief in the Division of Historical Policy Research. The book represents a comprehensive analysis of the time-honored but little understood international custom through which, in times of peace as well as war, the diplomatic or consular officers of one power may be called upon to extend their protection to the interests of a foreign state within the territory of a third power.

While some consideration is given to each of the three parties to this trilateral relationship—the protecting power, the protected power, and the local power—the problem is presented primarily from the point of view of the protecting power. And, although reference is frequently made to the practices of other countries as they have influenced the development of the custom, most of the material is drawn from the experience of the United States.

There are 11 appendices containing ready-reference lists of countries whose interests have been protected by the United States at various periods, of powers which have protected enemy interests within the United States, and of foreign interests protected by Switzerland, Sweden, and Spain during the recent war.

The book will be sold by the Superintendent of Documents, Government Printing Office, Washington 25, D.C., for \$1.50 a copy with a 25 percent discount to purchasers of 100 copies or more.

# Sales and Transfer of Non-Demilitarized Combat Matériel<sup>1</sup>

## PART I

### Sales of Surplus Non-Demilitarized Combat Matériel January 1, 1947, and Reported Through May 9, 1947

Country	Description of matériel	Procurement cost	Sales price	Date of transfer
BELGIUM . . . . .	Remaining ammunition in Belgium, approximately 55,000 tons. Belgium to demilitarize ammunition.	\$38, 500, 000	\$200,000 plus one half of profits on resale as scrap.	1947 Jan. 15.
BRAZIL . . . . .	Spare parts for 30 P-47D planes . . . . .	418, 320	33, 160	Mar. 10
	Spare parts for 70 B-25J planes . . . . .	1, 183, 435	102, 406	Mar. 10
	10,665 bayonets; 13 cars, armored; 5 cars, half-track; 5,148 carbines, cal. .30; 55 aiming circles; 13 range finders; 57 57 mm guns; 452 mach. guns (Brg); 300 submach. guns; 54 105 mm how.; 12 155 mm how.; 2,659 launcher grenades & rockets; 81 60 mm mortars; 57 81 mm mortars; 685 mounts, mach. gun; 1,231 pistols cal. .45; 209 pyro projectors; 405 auto. rifles cal. .30; 6,361 rifles U. S. cal. .30.	1, 787, 741	183, 240	Mar. 20
CHILE . . . . .	6 LCI (L) (Infantry); 8 LCVP's (vehicles & personnel); 8 LCPR's (personnel).	1, 813, 590	102, 661	Jan. 17
	LSM-113; LSM-295; LSM-400; LSM-417 (medium)	2, 854, 804	142, 740	Mar. 13
COLOMBIA . . . . .	1,720 bayonets; 612 carbines, cal. .30; 6 aiming circles, M1; 2 range finders; 6 57 mm guns; 60 mach. guns; 42 submach. guns; 8 how.; 382 launcher grenades & rockets; 30 mortars; 100 mount mach. guns; 180 pistols; 38 pyro projectors; 90 auto. rifles; 1,066 rifles cal. .30; 1,062,100 rds. cal. .30 ammo; 39,600 rds. cal. .45 ammo; 131,190 rds. cal. .50 ammo; 1,102 rds. 57 mm ammo; 1,008 rds. 60 mm ammo; 663 rds. 81 mm ammo; 3,418 rds. 105 mm ammo; 2,670 grenade rifles; 8,588 2.36" rockets.	377, 496	36, 470	Jan. 10
	Combat aircraft: 3 ea. B-25J planes; 8 ea. P-47D planes; 2 ea. OA-10B planes, plus spare engines & spare parts for above planes.	2, 013, 448	182, 248	Jan. 10
	One patrol frigate . . . . .	2, 352, 500	164, 675	Jan. 10
FRANCE . . . . .	LST-177, -223, -508 (three LST's) demilitarized . .	4, 438, 764	221, 938	Mar. 4
GUATEMALA . . . . .	275 rds. 75 mm ammo for weapons furnished under lend-lease.	2, 519	126	Mar. 12
NETHERLANDS . . . . .	6 minesweepers . . . . .	3, 900, 000 (approx.)	360, 000	Mar. 14
PERU . . . . .	Planes, 25 ea. P-47D, 3 ea. OA-10A, 8 ea. B-25J plus spare engines and spare parts for above planes.	5, 057, 846	418, 935	Feb. 25
	199,000 rds. cal. .30, 56,840 rds. cal. .50, 991 rds. 37 mm, 1,718 rds. 105 mm ammo for weapons furnished under lend-lease.	42, 372	2, 990	Mar. 24
PHILIPPINES . . . . .	240 pistols .45 cal.; 10 carbines .30 cal.; 2 submach. guns .45 cal.	9, 519	9, 519	Mar. 6

<sup>1</sup> The above tables of completed sales and approved retransfer authorizations of non-demilitarized combat matériel effected by the Department of State in its capacity as foreign-surplus and lend-lease disposal agent were released to the press on May 9. For sales or retransfers made prior to Jan. 1, 1947, as listed in a report of the Secretary of State to the Congress dated Feb. 11, 1947, see BULLETIN of Feb. 23, 1947, p. 322.

**Part I—Continued**

Country	Description of matériel	Procurement cost	Sales price	Date of transfer
PORTUGAL . . . . .	5 B-17's (converted for air-sea rescue operations) and 3 C-54's (included because C-54's in excess of 35,000 pounds require an export license).	3, 185, 191	561, 551. 76	1947 About July 1
URUGUAY . . . . .	1,720 bayonets; 612 carbines; 6 aiming circles; 2 range finders; 6 57 mm guns; 60 mach. guns; 42 submach. guns; 8 105 mm how.; 382 launchers grenades & rockets; 30 mortars; 100 mount mach. guns; 180 auto. pistols; 38 pyro projectors; 90 auto. rifles; 1,066 rifles cal. .30; 123,200 rds. cal. .30 carbines; 330,000 rds. cal. .30; 24,600 rds. cal. .45; 3,000 rds. cal. .50; 54 rds. 57 mm; 77 rds. 60 mm; 180 rds. 81 mm; 483 rds. 105 mm ammo for above weapons.	\$228, 283	\$24, 035	Jan. 30
SWEDEN . . . . .	Acces. for 37 mm guns furn. under lend-lease . . .	6, 608	331	Feb. 17
	Aircraft spares . . . . .	23, 500 (approx.)	14, 000	Mar. 11
	2,000 spring cover extractors for .50 cal. mach. guns.	520	520	Mar. 31

**P A R T   I I**

**Approved Retransfer Authorizations—January 1, 1947 Through March 31, 1947**

Retransferee government	Item	Quantity or dollar value	Retransferee government	Item	Quantity or dollar value
AUSTRALIA . . .	Magnetic airborne detector .	<sup>1</sup> 1	ITALY . . . . .	Browning guns . . . . .	<sup>1</sup> 100
BELGIUM . . . .	Aircraft propellers, Hamilton Standard.	<sup>1</sup> 64		Pistols, Smith and Wesson .45 inch.	<sup>1</sup> 3
	Browning guns . . . . .	<sup>1</sup> 48	NETHERLANDS .	Guns, Oerlikon, 20 mm. <sup>3</sup> . .	170
	Spare barrels . . . . .	<sup>1</sup> 144		Spares for LST engine . . .	( <sup>1</sup> )
	Maintenance spares (18 months).	( <sup>1</sup> )		Ship propulsion and maintenance spares. <sup>2</sup>	<sup>1</sup> 1, 550
CANADA . . . . .	Spares for lend-lease component parts. <sup>2</sup>	<sup>1</sup> \$108, 000	NORWAY . . . .	Aircraft propellers, Hamilton Standard.	<sup>1</sup> 46
FRANCE . . . . .	Ship propulsion and maintenance spares. <sup>2</sup>	<sup>1</sup> 1, 570		Gyro gun sight, Mark XIV .	<sup>1</sup> 1
GREECE . . . . .	Browning guns . . . . .	35		Motor alternators and associated gear fitted with one 20 mm. gun.	( <sup>1</sup> )
	Spare barrels . . . . .	108		Ammunition, .5 inch . . . .	<sup>1</sup> 846, 730
	Maintenance spares (18 months).		SYRIA . . . . .	Submach. guns, Thompson, cal. .45.	<sup>1</sup> 150
	Aircraft engines, Pratt and Whitney.	14		Pistols, automatic, cal. .45. .	<sup>1</sup> 1, 000
	Aircraft propellers, Hamilton Standard.	14	UNION OF SOUTH AFRICA.	Dial (computer) course control.	<sup>1</sup> 12
	Generators, Onan 3 KVA W35.	2		Knob course control . . . .	<sup>1</sup> 12
	Power units, PE-95 . . . .	6		Flexible shaft . . . . .	<sup>1</sup> 12
	Ammunition for Browning guns.	436, 000		(All the above are aircraft course control equipment.)	
IRAQ <sup>4</sup> . . . . .	Submach. guns, Thompson, cal. .45. <sup>4</sup>	<sup>4</sup> 1, 000		Aircraft engine spares . . .	<sup>1</sup> 1, 600

<sup>1</sup> Retransfer approved as outright sale; other retransfers approved subject to continuing United States right of recapture.

<sup>2</sup> Transaction effected under blanket authorization reported in letter of Feb. 11, 1947.

<sup>3</sup> These guns replaced 170 of the same type originally lend-leased to the Netherlands which were removed from Netherlands ships in British ports.

<sup>4</sup> The consent to retransfer, reported in the Secretary of State's report to Congress of Feb. 11, 1947, is no longer effective since the proposed transaction has been canceled.

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# THE FIRST ASSEMBLY OF THE INTERNATIONAL CIVIL AVIATION ORGANIZATION

by Edward S. Prentice

*The assembly of the International Civil Aviation Organization held its first meeting in Montreal, May 6-27, 1947. A provisional organization had carried on the work initiated at the Chicago Aviation Conference in 1944 until the permanent organization was established. The activities of the First Assembly in establishing the permanent aviation organization augur well for continued international cooperation in civil air transport.*

With the coming into force of the Chicago convention on international civil aviation, April 4, 1947, it was obvious that the primary task of the First Assembly of the International Civil Aviation Organization (ICAO) would be to insure the smooth transition from the interim to the permanent organization established by the convention. Thus a large part of the work of the assembly and its commissions was devoted to placing ICAO on a sound operating basis.

## Pre-Assembly Preparation

The Interim Council of the Provisional International Civil Aviation Organization had worked almost continuously since early in 1947 preparing the detailed agenda for the first ICAO assembly. The agenda as sent to member states over a month before the convening date of the assembly listed more than 50 items for consideration. Each item called for action of some kind by the assembly, either in the form of reviewing and approving or disapproving the many-sided activities of the Provisional Organization or in the form of guiding recommendations for the new Council to take into account during the coming fiscal year. The PICAO secretariat, working under the guidance of the Interim Council, had prepared 1,000 pages of detailed documentation covering each agenda item or sub-item. The documentation was trans-

mitted after Council consideration (and approval in a majority of instances) to the member states for information and with a view to assisting each state in preparation for the assembly.

In this pre-assembly period the extremely close liaison maintained between the office of the United States representative and Washington through the Air Coordinating Committee<sup>1</sup> and the Aviation Division of the Department of State, proved its effectiveness. Through personal consultation with Maj. Gen. Laurence S. Kuter, the United States Representative on the ICAO Council, and his two alternates, Rear Adm. Paul A. Smith on air navigation (technical) matters and Dr. Paul T. David on air transport (economic) matters, by constant utilization of the teletype connection between our Montreal office and Washington, with outlets to both the Aviation Division of the Department of State and the Air Coordinating Committee Secretariat, and through official cor-

<sup>1</sup> The Air Coordinating Committee is made up of Assistant Secretaries of State, War, Navy, Commerce, the Chairman of the Civil Aeronautics Board, and the Second Assistant Postmaster General. An Assistant Director of the Bureau of the Budget is a non-voting member. The Committee functions under the authority of Executive Order 9781. For text of the First Report of the Air Coordinating Committee, 1946, see Department of State publication 2782.

responsiveness, the responsible aviation officials in Washington were kept completely informed on last-minute details resulting from Council action.

The detailed positions which the U.S. Delegation utilized at the First Assembly were prepared within the framework of the Air Coordinating Committee. Industry participation through the Air Transport Association, the Aircraft Industries Association, and the Airline Pilots Association was actively encouraged.

The ACC-ICAO Panel reviewed, modified, cross-checked, and approved the positions initially arrived at by other subordinate bodies of the Air Coordinating Committee and transmitted them for final approval to the United States Delegation proper. Since the overlap between the membership on the Committee and the membership on the Delegation was so complete, the ACC turned over the responsibility for final approval of the detailed instructions to the Delegation. An exception to this procedure was the handling of the United States draft of a multilateral air-transport treaty which had been the subject of extensive discussion in earlier ACC meetings and at a joint meeting between the ACC and its Aviation Industry Panel. The Air Coordinating Committee unanimously recommended that its draft multilateral be used by the Delegation as an initial basis of discussion at the assembly.

During the two weeks prior to the departure of the United States Delegation for Montreal the ICAO panel met almost daily in order to obtain completely coordinated and fully considered positions on all the items which were to be discussed at the assembly. Similarly the United States Delegation met three times before leaving for Montreal to consider outstanding policy questions facing ICAO. At the final pre-assembly United States Delegation meeting on Friday, May 2, the Delegation approved the detailed positions. These positions were then attached to the formal instructions from the Secretary of State to the Chairman of the Delegation.

The United States Delegation was led by seven Delegates as follows: Assistant Secretary of State Garrison Norton, Chairman; Assistant Secretary of Commerce William A. M. Burden, Alternate Chairman; Chairman of the Civil Aeronautics Board James M. Landis; Board Member Harllee Branch; L. Welch Pogue, former Chairman of the

Board and currently President of the National Aeronautic Association; Maj. Gen. L. S. Kuter, U.S. Representative to the ICAO Council; and his alternate, Rear Adm. Paul A. Smith.

Assistant Secretary of War for Air Stuart Symington and Assistant Secretary of the Navy for Air John Brown acted as Consultants to the Delegation. Industry participation in the work of the assembly was carried through to completion by reason of industry advisers on the official Delegation. In addition to representatives of the Air Transport Association, the Aircraft Industries Association, and the Airline Pilots Association, representatives from the following agencies acted as Alternate Delegates, or Consultants or Advisers on the Delegation: State, Commerce, Post Office, War, Navy, CAB, and Budget. The Delegation was thus composed of individuals outstanding in the field of aviation.

### **The Assembly**

The total number of nations participating in the activities of the assembly was 47. Seven international organizations also had representatives at the assembly. The participating states and organizations were as follows:

#### *Contracting States*

Argentina	Dominican Republic
Australia	Egypt
Belgium	France
Bolivia	Greece
Brazil	Guatemala
Canada	Iceland
Chile	India
China	Ireland
Czechoslovakia	Liberia
Denmark	Mexico
Netherlands	Spain
New Zealand	Sweden
Norway	Switzerland
Peru	Turkey
Philippines	Union of South Africa
Poland	United Kingdom
Portugal	United States
Siam	Venezuela

#### *Non-Contracting States*

Colombia	Iraq
Costa Rica	Italy
Cuba	Luxembourg
Ecuador	Uruguay
El Salvador	Yugoslavia
Iran	

### *International Organizations*

CITEJA (Comité International Technique d'Experts  
Juridiques Aériens)  
International Air Transport Association  
International Chamber of Commerce  
International Labour Office  
International Union of Aviation Insurers  
United Nations  
World Health Organization

The assembly divided its work into six fields, each covered by a separate commission: constitutional and general policy questions; technical questions; economic questions; legal questions; administrative and financial questions; and financial and technical aid through ICAO. United States spokesmen on the six commissions in the above listed order were: Livingston L. Merchant, Chief, Aviation Division, State Department; Charles I. Stanton, Deputy Administrator, Civil Aeronautics Administration; James L. Landis, Chairman, Civil Aeronautics Board; Emory T. Nunneley, General Counsel, Civil Aeronautics Board; Carl Schwartz, Assistant Chief, Estimates Division, Bureau of the Budget; and J. Paul Barringer, Assistant Chief, Aviation Division, State Department. All the foregoing, with the exception of Delegate Landis, were designated as Alternate Delegates.

The following summary presents the major accomplishments of the First Assembly in these fields.

#### **Constitutional and General Policy Questions**

1. The most urgent item considered by the First Assembly of ICAO was the agreement between the Aviation Organization and the United Nations providing for affiliation between the two international organizations. The agreement had been adopted by the General Assembly of the United Nations with a reservation to the effect that it would not come into force until Franco Spain had been debarred from all activities of ICAO. In line with the over-all policy of the United States to support strongly the United Nations, the United States took the lead in pressing for action by the Assembly which would permit the affiliation agreement to come into force. This meant that the United States also took the lead in pressing for the expulsion of Franco Spain.

The only manner in which such expulsion could be effected through constitutional means was by amending the Chicago convention on international civil aviation. After extensive debate over legal and constitutional issues, the amendment was adopted by the assembly by a vote of 27 to 3 with several abstentions. The debarment of Spain will not legally be completed before two thirds (28) of the ICAO member states have ratified the amendment to the Chicago convention. But for all practical purposes as announced by a United Nations representative at the ICAO assembly, speaking for the United Nations Secretary-General, Trygve Lie, the affiliation agreement between ICAO and the United Nations has come into force and Franco Spain has been debarred from ICAO.

2. A second urgent item for assembly action was the election of the new Council. The Council of ICAO acts as the executive body of the Organization. It sits in almost continuous session and directs the work of its committees, the ICAO secretariat, and the Divisions (international conferences of specialized experts). The following states were elected to the Council for a three-year period:

Argentina	India
Australia	Ireland
Belgium	Mexico
Brazil	Netherlands
Canada	Peru
Chile	Portugal
China	Sweden
Czechoslovakia	Turkey
Egypt	United Kingdom
France	United States
Iraq	

3. Early in the assembly the United States proposed that Italy should be admitted to ICAO. This proposal was unanimously adopted by the assembly with the result that Italy will become a member of ICAO unless objection is made by the General Assembly of the United Nations. No such objection is anticipated. Under the terms of the Chicago convention the formal assent of Ethiopia is also required. It is expected to be forthcoming.

4. The First Assembly decided that the next assembly should convene in the latter part of May or early June 1948 in western Europe. The Council is to decide the exact time and place. The

long-term policy of holding a full assembly only every three years with intervening assemblies kept to more restricted agendas was adopted, but will not be placed into effect at this time. It was believed that an opportunity should be given to review all phases of the Organization's activities at the Second Assembly.

5. The question of official languages of ICAO was discussed at great length. A resolution was finally adopted directing the Council to implement the following principles of language policy which were agreeable to the United States:

"(a) Two of the three languages, English, French and Spanish, shall normally be selected by the Council for conducting each meeting, for the systematic interpretation of speeches and statements and for the drafting of final reports. The Council shall decide in each case if there is need for systematic interpretation in a third language. The use of any of the languages thus established may be waived when there is unanimous agreement to do so;

"(b) The Council shall decide, on practical grounds and in the light of experience, which publications and documents of the Organization shall be issued in more than one language."

6. No amendments to the convention other than the one debarring Franco Spain from ICAO were adopted by the assembly. Member states shared a feeling that as a general policy the convention should not be amended before the ICAO had some experience operating under its present terms.

7. The assembly authorized the Council to act as an arbitral body on any differences arising among contracting states relating to international civil aviation matters which are submitted to it, when expressly requested to do so by all parties to such differences. This authorization will obtain pending further discussions and ultimate decision by ICAO as to the methods of dealing with international disputes in the field of civil aviation. The assembly's authorization on this matter was necessary since the Chicago convention limits the Council to decisions on disagreements relating to the interpretation or application of the convention and its annexes. The authorization means that the ICAO Council will have the same powers in the arbitral field as did the Interim Council. This fact is of particular importance because of the provisions in many of the bilateral air-transport agreements negotiated by the United States and other countries designating the ICAO Coun-

cil as the means by which differences arising out of the operation of the bilaterals would be settled.

### Technical Questions

ICAO activities in the technical field are so numerous and intricate that their detailed consideration must be undertaken by groups of specialists in each of the various categories of aeronautical technical problems. In addition to divisional meetings in Montreal on 11 specialized subjects, there have been regional meetings to discuss problems and develop plans for regularizing air navigation and promoting safety in flight.

Obviously the assembly could review the technical work in its broad aspects only, judge the quantity and quality of the work produced, and recommend changes in orientation of effort or in the procedures followed in carrying out this important function.

1. The assembly concluded that an excellent job was performed by the Provisional International Civil Aviation Organization (PICAO) in establishing standards, recommended practices, and procedures but that the emphasis should now be shifted to a full-scale effort toward rapid implementation of the standards, practices, and procedures.

Questions which called for considerable debate arose almost entirely as a result of the transition from the interim PICAO to the permanent ICAO. Under the interim agreement, the PICAO standards had the force of recommendations only. Under the convention it is obligatory for states to apply them unless they notify ICAO that they are unable or unwilling so to do and state the reasons therefor.

All the states agreed that PICAO actions to date should remain in effect (that is, as recommendations) until the new Council has had an opportunity to adopt or reject them as standards having the binding status accorded them by the convention.

2. An interesting point was the subject of corrective actions with respect to non-compliance, i.e. violations of ICAO standards and national aviation rules and regulations. In the absence of a uniform international code for enforcement of ICAO and national aviation rules and regulations, it was felt highly desirable to reach a general understanding that corrective action should be taken by the state of registration, certification

or jurisdiction of the aircraft, airmen, or operating agencies respectively which had not complied with the rules. The assembly adopted this view.

3. How soon after adoption of a standard by ICAO must a state apply that standard or be considered in noncompliance was a question which concerned many of the member states. The United States Delegation pointed out that there was a great variation in the nature of the standards which ICAO would adopt, some being susceptible of immediate application, others necessitating a considerable period of time to obtain the funds and carry out construction work necessary for compliance. On that account the suggestion was made that when adopting a standard ICAO consider the length of time required for compliance in the light of the cost and time involved and set a date for application of the standard. In some instances states may find it necessary to notify ICAO of their inability to comply with the standard on the date established by the organization.

The assembly accepted this position. This action has opened the way for early and large-scale adoption and prompt implementation of international standards and recommended practices.

4. Of importance to the United States was the effort of some of the smaller nations to specify limitations on the length and strength of runways at airports used by international air services. As a large manufacturer as well as a large operator of transport aircraft, the United States took the position that no restrictions should be placed on the length or strength of runways. After much debate, during which the United States recognized the problem of costs facing many states who provide international airports, the assembly resolved:

"That the Council in consultation with the International Air Transport Association and the aircraft manufacturers, study and report upon the trend of aircraft design and the relationship between airline operation and aerodrome design with the object of curbing the increasing cost of runway construction."

5. The assembly recommended that the Council adopt a numbering and dimensional system proposed by the International Air Transport Association which was based largely on the metric system. In addition the action of the assembly provides that the foot-pound or statute mile may be used by states which find it impracticable to use the proposed standard units. Although the action

was intended to establish a single standard system, it actually sets up a double standard which (1) leaves the United States free to use any numbering system desired; (2) possibly makes unnecessary further work on dimensional standardization; and (3) effectively prevents or at least greatly delays the world-wide adoption of any one numbering system.

### **Economic Questions**

1. The principal item of business for the assembly in the economic field was a discussion of the proposed multilateral agreement on commercial rights in international civil air transport. The United States Delegation came to the assembly with its own draft, which reserved for separate bilateral negotiation the exchange of routes in commercial air transport.

After considerable discussion on this subject it became apparent that the delegations of important countries were not sufficiently in accord to permit completion at this assembly of a multilateral agreement. The discussions did indicate, however, that there was considerable agreement as to the need for general principles on which a multilateral treaty on commercial rights could be based. The assembly therefore resolved that a special conference be convened at Rio de Janeiro in October 1947 for the express purpose of developing and submitting for the consideration of the various states a multilateral agreement on commercial rights in international civil air transport. There is considerable evidence that the United States position on the matter of the separate bilateral exchange of routes has gained more widespread acceptance than was the case before the First Assembly convened. Similarly, there is some evidence that the so-called Bermuda capacity clauses, first conceived at the United States-United Kingdom Bermuda Conference and thereafter included with only minor modifications in other U.S. and U.K. bilateral air-transport agreements, may prove to be the basis for the formula eventually adopted on capacity in a multilateral treaty.

2. The subject of international ownership and operation of the international trunk routes was debated at length. The nations of the British Commonwealth made a vigorous attempt to commit ICAO to studying the question and developing an international chosen instrument plan for

presentation to the next assembly. The United States opposed this procedure with equal vigor. The assembly finally decided that the Council should continue its studies of possible plans for the internationalization of trunk air routes but only on the basis of material which may be submitted by member states. The Council will also give consideration to arguments against the feasibility of such operations.

3. Brief discussions were held on the subject of satisfactory definitions of scheduled and non-scheduled operation of international air transport for the purpose of interpreting the Chicago convention. The United States position was that it was impossible at this time to prepare a definition that would completely distinguish between scheduled and nonscheduled operations. This view was adopted by the assembly and the Council was instructed to study the matter further.

4. With respect to the facilitation of international air travel the assembly endorsed the steps already taken by the Interim Council in the direction of eliminating unnecessary barriers to international air commerce, and recommended steps designed to push this program vigorously. The assembly decided that no further recommendations would be made pending consideration by the Facilitation Division of those already made by the Provisional Organization.

5. The Council was also instructed to study further the problems concerned with the reporting of statistics; the filing of agreements; international air mail; and the economic burdens of double taxation, certain insurance requirements, airport charges, and charges for the use of air-navigation facilities.

#### **Legal Questions**

1. The most important item before the assembly in the field of international air law was consideration of the draft convention on rights *in rem* in aircraft. This proposed convention provides for the recordation and recognition of property and security interests in aircraft engaged in international air transportation. Such a convention would be an important contribution to the ability of air-transport operators and aircraft manufacturers to finance purchases and sales of aircraft, respectively. The United States had emphasized the importance of progress in the final formulation and approval of such a convention by the

assembly and opening it for signature and ratification by the states.

Substantial effort was devoted at the assembly in obtaining sufficient agreement on certain basic issues to make possible final approval of the convention. However, such an agreement was not accomplished. The difficulty lay in the inability to reconcile sufficiently fundamental differences in the basic concepts of several different legal systems. The assembly did, however, direct the new Legal Committee of ICAO to meet at a time to be determined by the Council for the purpose of finalizing the draft of a Convention concerning the recognition of rights in aircraft.

2. On the procedural side, the assembly established for the first time a Legal Committee of ICAO. A resolution approving the establishment of such a committee and providing for its terms of reference, including primarily the study and formulation of draft conventions on international air law, was adopted.

3. As the result of the establishment of the Legal Committee of ICAO, CITEJA (Comité International Technique d'Experts Juridiques Aériens), an independent body of legal experts having responsibility for the drafting of conventions on international air law, held its final meeting in Montreal and adopted resolutions for its liquidation. This action was in line with the general policy that all official international organizations in the aviation field should be brought within the framework of ICAO as *the* specialized international aviation agency.

#### **Administrative and Financial Questions**

1. The Chicago convention directs the assembly to fix an annual budget for ICAO. The assembly adopted a total budget of \$2,600,000 for the fiscal year 1947-48. Although this estimate compares with a total budget slightly under \$2,000,000 for the fiscal year 1946-47, the budget as finally adopted was considerably less than the \$3,190,335 submitted to the First Assembly by the Interim Council of PICAQ. The increase over last year's budget was made necessary principally by provision for establishment of five regional offices in various parts of the world. The provision for regional offices is imperative for the purpose of giving assistance to various member states in implementing the standards, practices, and proce-

dures which have been adopted by ICAO and its predecessor PICAQ during the past year. The United States took the position that the budget of ICAO should be adequate, but no more than adequate, to insure the carrying out of the work program proposed for the next fiscal year. The aviation specialists of the United States engaged in ICAO work are satisfied that the new budget figure provides sufficient funds for this purpose.

2. The assembly gave particular consideration to the organizational structure of ICAO and submitted various suggestions to the Council which are designed to strengthen the new Organization in attaining maximum effectiveness.

3. On the scale of contributions to be made by member states to ICAO, the United States and the United Kingdom took the position that no radical adjustment to the principles underlying the previous scale of contributions should be made. This position was upheld by the assembly. There were slight adjustments in the number of units assigned to various member states, with the United States agreeing to increase its number of units from 45 to 57. This number of units represents approximately 20 percent of the administrative expenses of the organization.

#### **Financial and Technical Aid Through ICAO**

1. The assembly agreed upon basic principles and general policy relating to financial and technical aid through ICAO for furthering the provision of air-navigation facilities and services. Summarized, these basic principles are as follows:

(a) The provision of financial and technical aid through ICAO will be based on voluntary action on the part of contracting states.

(b) The International Civil Aviation Organization through its Council is the international body responsible for the initiation of expeditious action to meet requirements to supply additional air-navigation facilities and services where necessary for the operation of international air services.

(c) Aid provided through ICAO will aim to provide air-navigation facilities and services adequate, but no more than adequate, to meet the requirements of international air services in accordance with the standards established and practices recommended.

(d) Contracting states will do all possible to arrange for the provision of adequate facilities

and services within their own territories before applying to ICAO for assistance.

(e) ICAO will satisfy itself in every case that circumstances actually require the assistance of the organization.

(f) The rendering of financial and technical aid through ICAO will depend upon willingness of the applicant state to participate and cooperate in the economical provision of required facilities and services.

(g) ICAO will assure contributing states that their funds will be expended under its supervision to insure the utmost economy.

(h) Reasonable user charges in line with general practice may be provided for in any agreement relating to aid through ICAO. Free use of facilities where in line with normal practice may be provisionally adopted by agreement.

The Air Coordinating Committee of the United States Government in consultation with the U.S. Representatives to the ICAO Council early recognized the importance of developing principles for the carrying out of joint support projects. Our own airlines, through the Air Transport Association and ARINC (Aeronautical Radio Incorporated), participated in the development of a general policy on the matter of financial and technical aid through ICAO in order to further the safety of our own international air services. The assembly action on joint support is very similar to the general principles developed by the Air Coordinating Committee with the assistance of the air-transport industry.

#### **Conclusion**

The First Assembly of the ICAO did not accomplish all that had been hoped. Notable failures were the inability to conclude a satisfactory multilateral treaty on commercial air rights and the absence of final agreement on a multilateral convention on rights in aircraft. But the First Assembly did succeed in laying the groundwork for a healthy and progressive permanent aviation organization. By establishing a firm foundation on which the ICAO can build, the assembly has contributed to the goal of effective collaboration in the complex and dynamic field of international civil aviation to the end that the unique advantages of air transport can be effectively utilized in the search for lasting world peace.



# THE UNITED NATIONS

## Meeting of Committee on Progressive Development of International Law and Its Codification

### SUGGESTIONS BY THE UNITED STATES OF ITEM 4 OF THE PROVISIONAL AGENDA<sup>1</sup>

1. Item 4 of the Provisional Agenda of 5 May 1947 reads as follows:

"Plans for the formulation, in the context of a general codification of offences against the peace and security of mankind, or of an International Criminal Code, of the principles recognized in the Charter of the Nuremberg Tribunal and in the judgment of the Tribunal."

2. The language just quoted is identical with General Assembly Resolution 95 (1) of 11 December 1946 which also provides that our Committee should treat the plans for the formulation of the Nuremberg principles "as a matter of primary importance."

3. The function of our Committee is to study methods or "plans" for the formulation of the principles in question rather than to undertake consideration of substantive provisions. This is shown by an examination of the proceedings which culminated in the adoption of the above-mentioned resolution of 11 December 1946.

The resolution originated in a proposal by the Delegation of the United States, dated 15 November 1946 (document A/C.6/69).

The proposal provided that the General Assembly:

"1. reaffirms the principles of international law recognized by the Charter of the Nuremberg Tribunal and the judgment of the Tribunal.

"2. directs the Assembly Committee on the Codification of International Law created by the Assembly's resolution of ----- to treat as a matter of primary importance the formulation of the principles of the Charter of the Nuremberg

Tribunal and of the Tribunal's judgment in the context of a general codification of offenses against the peace and security of mankind or in an International Criminal Code."

It will be noted that the proposal just quoted provided for the "formulation of the principles" rather than for "plans for the formulation". The addition of the word "plans" was made as a result of discussion in Sub-Committee 1 of the Sixth Committee to the effect that our Committee was to deal with methods and not with codification of substantive provisions. The representative of the Union of Soviet Socialist Republics, Mr. Durdenevski, suggested the elimination of paragraph 2 of the United States proposal quoted above because, by provision for "formulation of the principles" it dealt with codification itself rather than with methods. The representative of the United States, Mr. Fahy, then asked whether the addition of the words "plans for" in front of "the formulation of the principles" might not induce the representative of the Soviet Union to approve the paragraph in question (document A/C.6/Sub.1/W.35).

The provision that the Committee should treat the plans for the formulation of the Nuremberg principles "as a matter of primary importance" does not show that this Committee should deal with substantive provisions rather than methods. It should be noted that the words in the resolution "to treat as a matter of primary importance" are identical with those appearing in the above-mentioned proposal of the United States Delegation. The presence of these words in the proposal did not prevent the United States representative, Mr. Fahy, from suggesting the addition of the word "plans" in order to meet the point raised by the Union of Soviet Socialist Republics, that our Com-

<sup>1</sup> U.N. doc. A/AC. 10/36, May 29, 1947.



mittee was not to deal with substantive provisions. In this connection, attention may also be called to the following statement in the summary record of the fourteenth meeting of the above-mentioned Sub-Committee (document A/C.6/Sub.1/W.36) :

"Mr. Fahy (United States) asked that paragraph 3 be completed by adding the words 'The Committee should give priority of plans for the formulation . . . in order to emphasize that here again they were only dealing with preparatory work.'"

The above-mentioned resolution regarding the Nuremberg principles was adopted subsequent to the General Assembly Resolution of 11 December 1946, establishing our Committee. The latter resolution provided that the Committee was to deal with methodology and not with the formulation of substantive rules or principles of law. The decision to limit the discussion regarding the Nuremberg principles to methodology was in accord with the General Assembly's resolution prescribing our Committee's function.

It follows from the above, that our Committee is not to undertake discussion of substantive provisions. Furthermore, the formulation of the Nuremberg principles deserves careful and thorough study. Even if the Committee were empowered to undertake such study, its time schedule would not permit it to give to this subject the attention which it deserves. In this connection, the following statement in the memorandum submitted by the representative of France (A/AC.10/29) is pertinent.

"If it is true that the progressive development of public international law should be undertaken with caution, caution has never been more desirable than in the present case." For the reasons mentioned above, it is suggested that the discussion of substantive provisions should be undertaken by the Commission of Experts.

4. As to plans for the formulation of the Nuremberg principles, it may be noted that according to the above-mentioned resolution, the principles are to be formulated "in the context of a general codification of offenses against the peace and security of mankind, or of an International Criminal Code."

A "general codification of offenses against the

peace and security of mankind" is a project which will consume considerable time. The preparation of a complete "International Criminal Code" will also require time. To postpone the formulation of the Nuremberg principles until the preparation of a general codification of the offenses envisaged by those principles as well as of other offenses against the peace of mankind is completed would result in considerable delay. The same result would follow if this formulation is postponed until the preparation of a complete International Criminal Code. In order to give effect to the provision that plans for the formulation of the Nuremberg principles should be considered as a matter of primary importance, the United States Delegation proposes the following :

(a) The Commission of Experts should be instructed to prepare a draft convention containing the Nuremberg principles. This draft convention need not be deferred until the preparation of a complete general code of offenses against the peace and security of mankind or of a complete International Criminal Code is finished. In view of the fact that the General Assembly Resolution of 11 December 1946, provides that the formulation of the Nuremberg principles should be considered as a matter of primary importance, this draft convention should be the first one to be prepared by the Commission.

(b) The preparation of the above-mentioned codes may be begun by the Commission of Experts at the same time as the formulation of the Nuremberg principles.

(c) In undertaking the formulation of the Nuremberg principles, the Commission of Experts should bear in mind that those principles may eventually be incorporated in the codes referred to in paragraph (a).

(d) Upon the completion of the said two codes or of either of them, the Commission of Experts may consider the question of including therein the provisions contained in the convention regarding the Nuremberg principles.

5. With respect to implementing the Nuremberg principles by the establishment of an International Criminal Court or of a Criminal Chamber in the International Court of Justice, it may be pointed out that, if our Committee is not to undertake discussion of substantive provisions regarding the Nuremberg principles, *a fortiori* it should not un-

dertake discussion as to what means should be adopted with a view to enforcing substantive provisions not yet agreed upon. The question of jurisdiction and appropriate means of enforcement can obviously be considered more appropriately after the substantive provisions are settled. For these reasons, it is believed that the question of enforcement of the Nuremberg principles by the estab-

lishment of an International Criminal Court or otherwise should be deferred for consideration and study by the Commission of Experts. However, in view of the importance of the proposals of the French Delegation, the report of our Committee should contain special mention of this subject and should recommend that the attention of the Commission of Experts be called thereto.

## Citizens Asked To Refrain From Activities Hazardous to Settlement of Palestine Problem

### STATEMENT BY THE PRESIDENT

[Released to the press by the White House June 5]

The General Assembly of the United Nations in special session on May 15, 1947, unanimously adopted the following resolution:

"The General Assembly calls upon all Governments and peoples and particularly on the inhabitants of Palestine to refrain, pending action by the General Assembly on the report of the Special Committee on Palestine, from the threat or use of force or any other action which might create an atmosphere prejudicial to an early settlement of the question of Palestine."<sup>1</sup>

The search for a fair and workable solution of the Palestine problem is one of the most difficult and important tasks confronting the United Nations. It is in the interest of the United States as well as of the United Nations that the efforts of the United Nations to solve this problem meet with success. Activities calculated further to inflame the passions of the inhabitants of Palestine, to undermine law and order in Palestine, or to promote violence in that country are certain to create an atmosphere prejudicial to an early settlement of the Palestine problem and to render still more difficult the tasks which the United Nations has before it.

I therefore urge every citizen and resident of the United States, in the interests of this country, of world peace, and of humanity, meticulously to

refrain, while the United Nations is considering the problem of Palestine, from engaging in, or facilitating, any activities which tend further to inflame the passions of the inhabitants of Palestine, to undermine law and order in Palestine, or to promote violence in that country.

### Current United Nations Documents: A Selected Bibliography

There will be listed periodically in the BULLETIN a selection of United Nations documents which may be of interest to readers.

Printed materials may be secured in the United States from the International Documents Service, Columbia University Press, 2960 Broadway, New York City. Other materials (mimeographed or processed documents) may be consulted at certain designated libraries in the United States.

#### General Assembly

Joint Second and Third Committee. Check List of Documents of the Joint Second and Third Committee, First Session of the General Assembly, 1946. Prepared by the Documents Index Unit. A/C.2&3/46, May 22, 1947. 8 pp. mimeo.

Disposition of Agenda Items and Check List of Documents and Publications of the First Special Session of the General Assembly, 28 April-15 May 1947. Prepared by the Documents Index Unit. A/INF/7, May 21, 1947. 17 pp. mimeo. Also, A/INF/7/Add.1, May 27, 1947. 1 p. mimeo.

<sup>1</sup> BULLETIN of June 8, 1947, p. 1110.

# INTERNATIONAL ORGANIZATIONS AND CONFERENCES

## *Calendar of Meetings*<sup>1</sup>

		1946
<b>In Session as of June 8, 1947</b>		
Far Eastern Commission . . . . .	Washington . . . . .	Feb. 26
United Nations:		
Security Council . . . . .	Lake Success . . . . .	Mar. 25
Military Staff Committee . . . . .	Lake Success . . . . .	Mar. 25
Commission on Atomic Energy . . . . .	Lake Success . . . . .	June 14
		<b>1947</b>
Commission on Conventional Armaments . . . . .	Lake Success . . . . .	Mar. 24
Committee on Progressive Development and Codification of International Law.	Lake Success . . . . .	May 12
Economic Commission for Europe: Transport Session . . . . .	Geneva . . . . .	May 27-June 6
ECOSOC (Economic and Social Council):		
Economic and Employment Commission . . . . .	Lake Success . . . . .	June 2
Fiscal Commission . . . . .	Lake Success . . . . .	May 19-29
Subcommission on Freedom of Information and of the Press . . . . .	Lake Success . . . . .	May 19-June 4
		<b>1946</b>
German External Property Negotiations (Safehaven):		
With Portugal . . . . .	Lisbon . . . . .	Sept. 3
With Spain . . . . .	Madrid . . . . .	Nov. 12
Inter-Allied Trade Board for Japan . . . . .	Washington . . . . .	Oct. 24
		<b>1947</b>
International Conference on Trade and Employment: Second Meeting of the Preparatory Committee.	Geneva . . . . .	Apr. 10
Congress of the Universal Postal Union . . . . .	Paris . . . . .	May 7
Council of Foreign Ministers: Commission To Examine Disagreed Questions of the Austrian Treaty.	Vienna . . . . .	May 12
FAO (Food and Agriculture Organization):		
Rice Study Group . . . . .	Trivandrum, Travancore, India.	May 15
Executive Committee . . . . .	Washington . . . . .	June 2-5
International Radio Conference . . . . .	Atlantic City . . . . .	May 15
<b>Scheduled for June-August 1947</b>		
International Cotton Advisory Committee: Sixth Meeting . . . . .	Washington . . . . .	June 9-11
United Nations:		
ECOSOC:		
Human Rights Drafting Committee . . . . .	Lake Success . . . . .	June 9
Fifth Session . . . . .	Lake Success . . . . .	July 19

<sup>1</sup> Prepared in the Division of International Conferences, Department of State.

*Calendar of Meetings—Continued*

		1947
United Nations: ECOSOC—Continued		
Narcotic Drugs Commission: Second Session . . . . .	Lake Success . . . . .	July 24 <sup>2</sup>
Subcommission on Economic Development . . . . .	Lake Success . . . . .	Aug. 18 <sup>2</sup>
Population Commission: Second Session . . . . .	Lake Success . . . . .	Aug. 18 <sup>2</sup>
Human Rights Commission: Second Session . . . . .	Geneva . . . . .	Aug. 25 <sup>2</sup>
Statistical Commission: Second Session . . . . .	Lake Success . . . . .	Aug. 28 <sup>2</sup>
Social Commission: Second Session . . . . .	Lake Success . . . . .	Aug. 28 <sup>2</sup>
Economic Commission for Asia and the Far East:		
First Session . . . . .	Shanghai . . . . .	June 16
Committee of the Whole . . . . .	Lake Success . . . . .	July 7
Economic Commission for Europe: Second Session . . . . .	Geneva . . . . .	July 5
ECITO (European Central Inland Transport Organization): Seventh Session of the Council (Second Part).	Paris . . . . .	June 17
ILO (International Labor Organization):		
102d Session of the Governing Body . . . . .	Geneva . . . . .	June 13–17
30th Session of the International Labor Conference . . . . .	Geneva . . . . .	June 19
Permanent Agricultural Committee . . . . .	Geneva . . . . .	July
Sixth International Conference of Labor Statisticians . . . . .	Montreal . . . . .	Aug. 4
Industrial Committee on Iron and Steel Production . . . . .	Stockholm . . . . .	Aug. 19
ICAO (International Civil Aviation Organization):		
South American Regional Air Navigation Meeting . . . . .	Lima . . . . .	June 17
South Atlantic Regional Air Navigation Meeting . . . . .	Rio de Janeiro . . . . .	July 15
Aerodromes, Air Routes and Ground Aids Division . . . . .	Montreal . . . . .	Aug. 19
“Journées Medicales de Bruxelles”, 21st Session . . . . .	Brussels . . . . .	June 21–25
Caribbean Commission: Fourth Meeting . . . . .	Jamaica . . . . .	June 23–28
International Sugar Council . . . . .	London . . . . .	June 24
IRO (International Refugee Organization): Third Part of First Session of the Preparatory Commission.	Lausanne . . . . .	June 25 <sup>2</sup>
German External Property Negotiations With Turkey (Safehaven) . . . . .	Ankara . . . . .	June
International Telecommunications Plenipotentiary Conference . . . . .	Atlantic City . . . . .	July 1
International Council of Scientific Unions: Executive Committee . . . . .	Paris . . . . .	July 1–2
International Rubber Study Group . . . . .	Paris . . . . .	July 1–10
Seventh International Congress of Administrative Sciences . . . . .	Bern . . . . .	July 23–30
UNESCO Executive Board . . . . .	Paris . . . . .	July 24
FAO (Food and Agriculture Organization):		
Panel on Soil Erosion Control . . . . .	Washington . . . . .	July
Meeting of Specialists on the Control of Infestation of Stored Food Products.	London . . . . .	Aug. 4
Annual Conference . . . . .	Geneva . . . . .	Aug. 25
International Meteorological Organization: Meeting of Technical Commissions.	Toronto . . . . .	Aug. 4–Sept. 13
WHO (World Health Organization):		
Committee on Administration and Finance . . . . .	Geneva . . . . .	Aug. 28
Fourth Session of the Interim Commission . . . . .	Geneva . . . . .	Aug. 30–Sept. 14
International High Frequency Broadcasting Conference . . . . .	Atlantic City . . . . .	August or September.

<sup>2</sup> Tentative.

# Meeting of the Council of the American International Institute for the Protection of Childhood

ARTICLE BY ELISABETH SHIRLEY ENOCHS

Among the various international organizations of which the United States is a member, few are more interesting, although many are better known, than the American International Institute for the Protection of Childhood.

The regular annual meeting of the Council, the governing body of the Institute, held at its headquarters at Montevideo on April 25, 1947, called attention to the fact that this is the only specialized intergovernmental agency of its kind in the world; that on June 9, 1947, it will celebrate the twentieth anniversary of its founding; and that through the Institute the republics of the Western Hemisphere have been able to share with each other their experience and progress in providing for the health, welfare, and education of their children and youth.

United States participation in the American International Institute for the Protection of Childhood was authorized by a joint resolution of Congress in May 1928. That same year the Secretary of State designated Katharine F. Lenroot, then assistant to the Chief and since 1934 Chief of the United States Children's Bureau, as this Government's official representative on the Council of the Institute, and she has since served continuously in this capacity. The recent meeting elected Miss Lenroot vice president of the organization.

During the 20 years of its existence, the Institute has been growing slowly but steadily in influence, activity, and usefulness. It has become the official organ of the Pan American Child Congresses, aiding in the preparation of these meetings and in the implementation of their resolutions. Likewise, it has developed increasingly close relationships with other inter-American organizations, particularly the Pan American Union, the Pan American Sanitary Bureau, and the Inter-American Commission of Women. The Institute has been called upon by inter-American conferences to cooperate in various ways with the International Labor Organization and with the Inter-American Committee on Social Security.

The 1947 meeting of the Council of the Institute assumed special importance in view of the plans for the forthcoming Ninth International Conference of American States, scheduled to be held at Bogotá in January 1948, and the announcement that the Ninth Pan American Child Congress will be held at Caracas in January 1948. These events have focused the attention of the Institute on its relationship to the whole inter-American system and to its functions as a specialized international organization within that system. In addition, the action of the General Assembly of the United Nations in establishing the International Children's Emergency Fund has aroused interest as to relationships which might be developed between the Institute and world organizations.<sup>1</sup>

Representatives from the following countries attended this meeting on April 25: Argentina, Bolivia, Brazil, Chile, Costa Rica, the Dominican Republic, Ecuador, Mexico, Paraguay, the United States, Uruguay, and Venezuela. An observer from the Pan American Sanitary Bureau was also in attendance. Representing the United States were Edward J. Sparks, resident delegate, Counselor of the American Embassy, Montevideo, and Mrs. Elisabeth Shirley Enoch, Director of the International Cooperation Service, United States Children's Bureau, who served as alternate technical delegate in place of Miss Lenroot.

Recalling the unfailing interest of the late Dr. Leo S. Rowe in the work of the Institute, Dr. Gregorio Aráoz, president of the Council, asked the delegates to rise in silent tribute to his memory and in recognition of his great services to the cause of pan-Americanism. The chairman then spoke briefly of the importance of close relationships with various inter-American organizations and requested approval of a suggestion that congratulatory messages be sent to the new directors of the Pan American Union and the Pan American Sanitary Bureau.

<sup>1</sup>For article on the Children's Emergency Fund, see BULLETIN of Mar. 16, 1947, p. 466.

Presentation of the annual report of the Director, Dr. Roberto Berro, brought information that Guatemala had adhered to the Institute and together with Uruguay and Venezuela had volunteered to pay a higher quota than that established in the revised quota schedule adopted at the 1946 Council meeting as a part of the new statute of the Institute. A special provision in the statute authorizes any member government to increase voluntarily its quota in order to help the Institute develop its work. It was also reported that information received subsequent to the printing of the report indicated that Argentina and Mexico, whose quotas have been increased under the revised system established last year, have agreed to contribute at the new rate. Despite these developments, however, the Director reported that the expenses of the Institute were slightly in excess of its income, largely because of the necessity of complying with a recent national law of Uruguay increasing the general level of pay in that country. This financial status indicated the urgency of regular contributions by member governments and of securing the adherence of the three remaining nonmember nations: Haiti, Nicaragua, and Panama.

The Health Department of the Institute reported success in its efforts to secure compulsory notification of rheumatic disease in the American republics. A resolution to this effect had been approved by the Pan American Sanitary Conference at Caracas on the recommendation of the Institute, which had made a study of this disease and its effect on children, the results of which proved the need for more accurate statistics on the subject. The Health Department is now concerned with a study of epidemics of infantile paralysis.

Completion of a project of special interest to the United States was described at the meeting. This was the translation into Spanish together with a glossary of the following bulletins recently revised by the United States Children's Bureau: *Prenatal Care*, *Infant Care*, and *Your Child From One to Six*.

The earlier edition of these bulletins had previously been translated into Spanish and had been widely distributed throughout the American republics. When translations of the revised edition were projected, the Institute's technical delegate in Chile, Dr. Guillermo Morales Beltrami, sug-

gested that the Institute might be of assistance by correlating local and regional popular terms used in any future editions in order that they might be easily intelligible throughout Central and South America. Accordingly, the Director and the Secretary of the Institute personally supervised three translators who were contracted by the Department of State to do the work at Montevideo. The revised texts were then circulated to the technical delegates in the various countries, who were requested to supply appropriate colloquial terms where necessary. The result was the compilation of a glossary, first of its kind, which will be included in the Spanish text of each of the three bulletins. The United States alternate technical delegate presented the first of the three bulletins to come from the United States Government Printing Office to the Council meeting and expressed the thanks of the Department of State and of the Children's Bureau for the part of the Institute in this example of inter-American cooperation.

The Council devoted special attention to plans for the Ninth Pan American Child Congress to be held at Caracas and formulated suggestions for the agenda which will be forwarded by the Institute to the Venezuelan organizing committee.

Following the election of officers, the Director General called attention to the creation by the United Nations of the International Children's Emergency Fund and to the fact that Miss Lenroot had been appointed to represent the United States on the Executive Board of this fund. After considerable discussion of relationships between the Institute and the United Nations and its specialized agencies, it was agreed that the Institute might consult the Secretariat of the United Nations as to the possibility of designating an observer to follow developments affecting child welfare. It was also agreed that the Director General should be present at the Ninth International Conference of American States, and that the Institute should, if possible, be represented at the Ninth Pan American Child Congress by the President, Secretary, and Director General, the hope being expressed that they might be designated as members of the delegations of their respective countries. It was also agreed that, in accordance with the recommendation of the Eighth Pan American Child Congress, the next meeting of the

(Continued on page 1177)

## European Initiative Essential to Economic Recovery

REMARKS BY THE SECRETARY OF STATE<sup>1</sup>

I need not tell you gentlemen that the world situation is very serious. That must be apparent to all intelligent people. I think one difficulty is that the problem is one of such enormous complexity that the very mass of facts presented to the public by press and radio make it exceedingly difficult for the man in the street to reach a clear appraisal of the situation. Furthermore, the people of this country are distant from the troubled areas of the earth and it is hard for them to comprehend the plight and consequent reactions of the long-suffering peoples, and the effect of those reactions on their governments in connection with our efforts to promote peace in the world.

In considering the requirements for the rehabilitation of Europe, the physical loss of life, the visible destruction of cities, factories, mines, and railroads was correctly estimated, but it has become obvious during recent months that this visible destruction was probably less serious than the dislocation of the entire fabric of European economy. For the past 10 years conditions have been highly abnormal. The feverish preparation for war and the more feverish maintenance of the war effort engulfed all aspects of national economies. Machinery has fallen into disrepair or is entirely obsolete. Under the arbitrary and destructive Nazi rule, virtually every possible enterprise was geared into the German war machine. Long-standing commercial ties, private institutions, banks, insurance companies, and shipping companies disappeared, through loss of capital, absorption through nationalization, or by simple destruction. In many countries, confidence in the local currency has been severely shaken. The breakdown of the business structure of Europe during the war was complete. Recovery has been seriously retarded by the fact that two years after the close of hostilities a peace settlement with Germany and Austria has not been agreed upon. But even given a more prompt solution of these difficult problems, the rehabilitation of the economic structure of Europe quite evidently will require a much longer time and greater effort than had been foreseen.

There is a phase of this matter which is both interesting and serious. The farmer has always produced the foodstuffs to exchange with the city dweller for the other necessities of life. This division of labor is the basis of modern civilization. At the present time it is threatened with breakdown. The town and city industries are not producing adequate goods to exchange with the food-producing farmer. Raw materials and fuel are in short supply. Machinery is lacking or worn out. The farmer or the peasant cannot find the goods for sale which he desires to purchase. So the sale of his farm produce for money which he cannot use seems to him an unprofitable transaction. He, therefore, has withdrawn many fields from crop cultivation and is using them for grazing. He feeds more grain to stock and finds for himself and his family an ample supply of food, however short he may be on clothing and the other ordinary gadgets of civilization. Meanwhile people in the cities are short of food and fuel. So the governments are forced to use their foreign money and credits to procure these necessities abroad. This process exhausts funds which are urgently needed for reconstruction. Thus a very serious situation is rapidly developing which bodes no good for the world. The modern system of the division of labor upon which the exchange of products is based is in danger of breaking down.

The truth of the matter is that Europe's requirements for the next three or four years of foreign food and other essential products—principally from America—are so much greater than her present ability to pay that she must have substantial additional help or face economic, social, and political deterioration of a very grave character.

The remedy lies in breaking the vicious circle and restoring the confidence of the European people in the economic future of their own countries and of Europe as a whole. The manufac-

<sup>1</sup> Made on the occasion of commencement exercises at Harvard University on June 5, 1947, and released to the press on the same date.

turer and the farmer throughout wide areas must be able and willing to exchange their products for currencies the continuing value of which is not open to question.

Aside from the demoralizing effect on the world at large and the possibilities of disturbances arising as a result of the desperation of the people concerned, the consequences to the economy of the United States should be apparent to all. It is logical that the United States should do whatever it is able to do to assist in the return of normal economic health in the world, without which there can be no political stability and no assured peace. Our policy is directed not against any country or doctrine but against hunger, poverty, desperation, and chaos. Its purpose should be the revival of a working economy in the world so as to permit the emergence of political and social conditions in which free institutions can exist. Such assistance, I am convinced, must not be on a piecemeal basis as various crises develop. Any assistance that this Government may render in the future should provide a cure rather than a mere palliative. Any government that is willing to assist in the task of recovery will find full cooperation, I am sure, on the part of the United States Government. Any government which maneuvers to block the recovery of other countries cannot expect help from us. Furthermore, governments, political parties, or groups which seek to perpetuate human misery in order to profit therefrom politically or otherwise

will encounter the opposition of the United States.

It is already evident that, before the United States Government can proceed much further in its efforts to alleviate the situation and help start the European world on its way to recovery, there must be some agreement among the countries of Europe as to the requirements of the situation and the part those countries themselves will take in order to give proper effect to whatever action might be undertaken by this Government. It would be neither fitting nor efficacious for this Government to undertake to draw up unilaterally a program designed to place Europe on its feet economically. This is the business of the Europeans. The initiative, I think, must come from Europe. The role of this country should consist of friendly aid in the drafting of a European program and of later support of such a program so far as it may be practical for us to do so. The program should be a joint one, agreed to by a number, if not all, European nations.

An essential part of any successful action on the part of the United States is an understanding on the part of the people of America of the character of the problem and the remedies to be applied. Political passion and prejudice should have no part. With foresight, and a willingness on the part of our people to face up to the vast responsibility which history has clearly placed upon our country, the difficulties I have outlined can and will be overcome.

## Economic Aid to Italy

### STATEMENT BY THE SECRETARY OF STATE<sup>1</sup>

[Released to the press June 21]

The American Government naturally wishes every success for Prime Minister de Gasperi and the new Italian Government in the difficult tasks which they must face. There are many bonds between Italy and the United States, and the American people have a deep and friendly interest in the Italian welfare. We are happy to have been of assistance in rebuilding the Italian economy, and we shall continue to give aid to the Italian people who have demonstrated their sincere and abiding faith in democratic processes for the preservation of their individual liberties and basic human rights.

<sup>1</sup> Made on the occasion of the establishment by Premier de Gasperi of a new Italian Government.

There is no desire in the United States to minimize Italy's problems. But the Italians have already overcome many of their most immediate postwar difficulties, and I feel that they may recently have been underestimating their own capacity for reconstruction. Everyone who comes back from Italy remarks upon the vitality of the people, their will to work, and their very real attachment for democracy. The world has watched with admiration, and even surprise, the progress which the Italians have made thus far in taking up their lives again as a free people. I have every confidence that they will continue that progress and, with the help we shall give them, rebuild Italy as a peaceful and prosperous nation.



## Italian War Claims Negotiations Nearing Conclusion

[Released to the press June 4]

The financial negotiations now taking place in Washington between the Government of Italy and this Government, which negotiations were instituted on May 21, 1947, are steadily approaching a conclusion. These negotiations, headed by Ivan Matteo Lombardo, on the Italian side, and Willard L. Thorp, Assistant Secretary of State, for the United States, are designed to resolve the outstanding financial questions between the two Governments arising out of the war and which were not definitively settled by the treaty of peace.

Consistent with this Government's position during the discussions at Paris and New York, which led to the final draft of the Italian treaty, Mr. Thorp has, in his talks with Mr. Lombardo, proposed settlements on the various financial questions which take into account the objective of assisting the Italian economy, as well as arriving at a fair disposition of both American and Italian claims. In this connection, Mr. Lombardo has been examining with Mr. Thorp procedures looking to the return to the Italians of Italian property in this country which has either been vested or blocked by American authorities.

## Recovery of Identifiable Property Removed From Allied Countries

[Released to the press June 5]

The Department of State announced on June 5 that American owners of identifiable property which was removed, or is presumed to have been removed, from an Allied country by enemy forces during the war should not submit requests for the recovery of the looted property directly to the authorities in control of the ex-enemy country in which it is thought the loot may be found. Such requests should be submitted to the government of the Allied country in which the property was located at the outbreak of the war. If the appropriate agency of the Allied government is not known, the request may be directed for forwarding to the Embassy, Legation, or Consulate of the United States in the Allied country. It is the responsibility of the government of the country in which the property was located at the outbreak of the war to report the removal to the proper authorities in the countries to which the property may

have been taken. It is the responsibility of the latter authorities in turn to conduct the necessary search.

The principle that looted property which is discovered in ex-enemy territory will be delivered to the government of the country from which it was removed has been established for Germany by the Allied Control Authority, for Japan by the Far Eastern Commission, for the American zone in Austria by the United States Government, and for Bulgaria, Hungary, Italy, and Rumania by armistice and peace-treaty provisions. Until informed to the contrary, Americans should assume that each Allied government will deliver looted property discovered on territory under its jurisdiction to the government of the Allied country from which it was taken.

The larger, more valuable, and more distinctive an article is, the greater the possibility that it may be located. Little hope can be held for the return of articles of small size or value or of articles not easily identifiable.

## Request for Information Relating to Hungarian Situation <sup>1</sup>

In as much as all reports agree that Prime Minister Ferenc Nagy submitted his resignation as a result of information transmitted by the chairman of the Allied Control Council at Budapest to the Hungarian Government, the Department has instructed the American Legation at Budapest to have the American representative on the Allied Control Commission, Brig. Gen. George H. Weems, request that he be furnished with copies of all information handed by the Soviet Chairman on behalf of the Soviet authorities to the Hungarian Government as provided in paragraph 6 (c) of the revised Allied Control Commission statutes.

Paragraph 6 (c) of the revised Allied Control Commission statutes reads as follows:

"United States and British representatives on the Allied Control Commission shall have the right:

"(c) To receive copies of all communications, reports and other documents which may interest the Governments of the United States and the United Kingdom."

<sup>1</sup> Statement read to press and radio correspondents by Michael J. McDermott, Special Assistant to the Secretary for Press Relations, at his press conference on June 4.

## Position on Resettlement of Displaced Persons

### STATEMENT BY ASSISTANT SECRETARY HILLDRING<sup>1</sup>

I am appearing before this Subcommittee today in support of H.R. 2910. The Department of State has already formally expressed its wholehearted endorsement of the aims of this bill in response to an official inquiry from the chairman of this Subcommittee. We also suggested certain technical amendments which we think will improve the bill. Since they are of minor importance as compared to the broad purposes of the bill, I will not repeat our observations here.

My support of this bill is the logical conclusion of my long experience with displaced persons and their problems. I believe that it would be useful to the Subcommittee to have a statement of that experience and of the conclusions I have reached as to the nature of the DP problem.

My contact with this problem began in 1943 when I was Director of the Civil Affairs Division of the Office of Chief of Staff in the War Department. At that time Secretary Marshall, who will testify at a later hearing, was Chief of Staff. We were actively planning for the invasion of western Europe. Plans for the disposition of displaced persons were included in the over-all program for the conquest of Germany. In addition to being actively engaged in the formulation of those plans, I recommended to General Eisenhower, then Supreme Commander, top-notch military personnel who would specialize in handling displaced persons.

I remained Director of the Civil Affairs Division until March 1946. During this three-year period, which included two personal trips to Europe, I was in constant touch with all aspects of the displaced-persons problem. When I left the War Department to become Assistant Secretary of State, Mr. Byrnes asked me to take charge of all aspects of the displaced-persons problem in the State Department, in addition to my basic respon-

sibility for the occupied areas of Germany, Japan, Austria, and Korea.

In order to qualify further as an expert witness on this subject, I would like to tell you briefly what this continuing interest in displaced persons has involved during the past four years. Daily, I have seen cables from across the seas on all phases of the displaced-persons problem—statistics, requests for advice and instructions, recommendations, investigations, reports, and so forth, in a never-ending stream. I have seen and been responsible for literally hundreds of cables to the other side requesting information, conveying complaints, making suggestions, issuing instructions, and so forth. I have met frequently with delegations from American organizations interested in different types of displaced persons. They have come with queries, information, advice, and sometimes with complaints. The investigations which have resulted from those complaints have taught us a great deal. When the complaints were ill-founded, we have so advised the complainant. When they were justified, corrective action was taken as promptly as possible. During this period I have had more than written reports on the displaced-persons problem. I have been privileged to have first-hand accounts of all angles of the situation from all types of persons fresh from the field—military commanders, newspapermen, Congressmen, special observers, and outstanding public citizens. I have had frequent occasions to talk to many top-ranking diplomats and military representatives of other countries. In addition, I have visited many DP camps and talked to many DP's.

So I think I can say with assurance to the Subcommittee that I have had a many-sided education in the displaced-persons field. I think I have developed an objective, composite picture of the DP situation.

Until now this has been a problem which has taxed the imagination, patience, and resourcefulness of soldiers, diplomats, and administrators. We have now reached the stage where future policy must be determined by the legislators. The oppor-

<sup>1</sup> Made before the House of Representatives Subcommittee on Immigration and Naturalization on June 4, 1947, and released to the press on the same date. Mr. Hilldring is Assistant Secretary of State for occupied areas.

tunity is afforded by H.R. 2910. The future policy will be determined by the Congress whether its action on such a bill is affirmative or negative or inconclusive. The lives and futures of a million men, women, and children hang upon the decision to be made by the Congress. I am appearing before you in the hope that I may be able to present, as briefly and factually as I can, the background information essential to an informed decision.

Certain basic questions are probably uppermost in your minds:

Who are these displaced persons and how do we happen to be responsible for them?

How many are there?

What are their nationalities, ages, occupations, and religion?

What are their attitudes toward work and politics?

What are they costing the United States taxpayer?

What possible alternatives confront the Congress for their future?

The story of how the displaced persons came into our hands is by now a familiar one. I will summarize it very briefly. The Nazis built up their war machine by ruthless exploitation of non-German labor. They brought into Germany many millions from all Nazi-dominated areas of Europe. They also carried out a ruthless policy of extermination or exploitation of political, religious, and forced-labor victims. Millions were annihilated in this process. When our Allied armies liberated Europe, they liberated 8 million of the survivors of these so-called displaced persons. With phenomenal precision our armies succeeded in returning 7 million to their homes, after providing temporarily the necessary food, clothing, medical attention, and shelter. I am submitting to the Subcommittee some charts and graphs showing the statistics of this achievement. But in one important respect our initial plans were awry. We had assumed that once the fighting was over and transportation became available, practically all of the displaced persons would be eager to return to their former homes to participate in the painful reconstruction of their countries. We had not reckoned sufficiently with the political and social upheavals and the remaking of national maps which had taken place in Europe during the war. Hundreds of thousands felt that they no

longer had a country. They were in fundamental disagreement with the type of new government in power and the new economic pattern. They felt there was no opportunity for them to exist in those areas, much less rebuild their lives there. Others, particularly the Jewish survivors, were stunned by the cataclysmic extermination of 6 million Jews and by the insidious results of some of Hitler's indoctrination in the countries where they formerly lived. As a result, there is an aggregation of one million persons in Germany, Austria, and Italy, preponderantly in the zones we govern. Their fate lies in our hands.

I would like to summarize a few basic statistics about the displaced persons in Germany, Austria, and Italy. There are a little more than one million in the three countries—850,000 in Germany, 148,000 in Austria, and the rest in Italy. About 8 out of every 10 displaced persons live in camps or organized communities. About 65 percent are Catholic, 20 percent Jewish, and 15 percent Protestant. Twenty-one percent of the displaced persons are children up to the age of 18; 66 percent are between the ages of 18 and 44. Only 13 percent are above the age of 44. We have almost 60 percent of the displaced persons in the United States zones and under United States care.

About 17 percent of the displaced persons are Balts, 30 percent Poles, 7 percent Yugoslavs, 20 percent Jewish, and the remainder primarily Ukrainians, Russians, and stateless. These statistics may vary slightly from time to time depending upon the source. Because of the dislocation in Europe and the intricate political situation in eastern Europe and central Europe and the loss of many identity documents, it is not possible to get statistics which everyone will agree upon. What I have given you is the consensus based upon our best estimates from various sources. With your permission, I am inserting in the record some graphs and charts giving these statistics in detail.

What is the attitude of displaced persons toward work? I would like to spend some time on this question because it is crucial and basic to the entire question of whether displaced persons would make good citizens of the United States. I must say frankly that there has been a good deal of misinformation about this aspect of the question. Some of it results from fleeting, unfavorable impressions based on cursory visits to a few camps. It is

most important to view this aspect of the problem in true perspective and not to jump at any conclusions or form any hasty judgments. Since the displaced persons had been brought to Germany for hard labor, it was only natural that upon their liberation they should have had a revulsion against working. It was also only natural that they should have felt that their oppressors, who were responsible for their condition, should perform for them much of the menial work which they had been doing on behalf of their oppressors. It was also natural that while the displaced persons lived in daily expectation that they would be leaving Germany, they should not adapt themselves immediately to employment. In spite of all these factors, I think that the displaced persons have established a remarkable record for themselves in their attitude toward work. This has become particularly evident after stabilization of conditions during the past year.

About 40 percent of the displaced persons are employable. Of this number about 80 percent in Germany are working in regular jobs, either in camps or otherwise. Many professional, administrative, technical, and manual jobs necessary to the formation of the assembly centers have been filled almost exclusively by displaced-persons workers. The collective performance and the sense of responsibility of these workers have been of such a high order that the actual management of the centers has now been delegated to them to a degree far beyond what was initially planned.

Many displaced persons are also undergoing supervised vocational training within the camps and many others hold jobs outside of the camps with the occupation authorities, other Allied agencies or, in limited numbers, in the German economy. However, shortages of supplies have limited the number of camp jobs. Also, a number of workers live in camps located so far from employment centers that it is not practicable for them to take outside jobs. Further difficulty arises from the fact that the work incentives we are able to offer are not very substantial, as workers paid in reichsmarks find that such currency will buy little in Germany and has no foreign-exchange value. During the past year, an increasingly large number of displaced persons have shown a willingness to take jobs in connection with German public works. However, practically no displaced persons

want to remain permanently in Germany so they have very little interest in its future stability. Because the Jews were singled out by the Nazis for particularly brutal treatment, it is understandable that they have no wish to work for or under the Germans. However, just as with other displaced persons, some Jews are now less averse to taking temporary jobs in the German economy.

All responsible reports agree that the average displaced person, far from being lazy, inefficient, and irresponsible, is eager to rebuild his life through hard, constructive work, and is ready and able to accept responsibility.

The caliber of displaced persons as workers should be judged not by their initial attitudes after liberation, nor even by their record of performance, excellent though it has been. In my opinion their caliber should be judged by their potential ability to work as free men in a free country. Adversity has taught these people to be adaptable. They have many basic skills which could be put to good use, and they are eager to learn others. During the course of these hearings we will give you further detailed information about these skills. I am particularly interested now in stressing to you these qualities and attitudes which cannot be reflected in statistics. I state unequivocally, on the basis of my long experience with displaced persons, that they are made of the stuff of which good American citizens are made.

I know the thought that perhaps comes to some of your minds. You say, we agree that they will be productive economically, but will they be able to fit into our way of life? Let us be frank about it: the question is often asked, "Are they Communistic?" I want to meet this issue squarely. Any statement or innuendo or intimation that the displaced persons in Germany, Austria, or Italy are Communistic flies in the face of the basic fact of the situation. That basic fact is that the displaced persons come from areas which have now come to be dominated by the Soviets. They are unwilling and fear to return to those areas precisely because they are now dominated by Communist governments. They are opposed to that type of economy and government. The Union of Soviet Socialist Republics has repeatedly and insistently demanded that we solve the displaced-persons problem by

forcibly returning all displaced persons to the governments which now control the areas of origin. We are not keeping any displaced persons from returning, but we steadfastly refuse to force them back.

I come now to the question of the cost of these displaced persons to the American taxpayer. In testifying before the Senate Foreign Relations Committee and the House Foreign Affairs Committee on a resolution to authorize the United States to participate in the International Refugee Organization, I made the following estimate:

During the fiscal year 1947 the total dollar cost to the United States of caring for displaced persons will amount to approximately \$130,000,000. This figure includes an estimated \$115,000,000 spent by the United States Army, the United States share of UNRRA expenses for displaced persons, and the United States contribution to the Intergovernmental Committee on Refugees. If the United States joins the International Refugee Organization, the total expense for the fiscal year 1948 will amount to about \$73,500,000. It is evident, therefore, that even with the tremendous savings to be effected by the IRO, there will be a continuing expense to the American taxpayer until the problem is solved.

I would like to digress for a moment at this point to make absolutely clear the relationship of immigration and the IRO. The IRO participation bill, which unanimously passed the Senate and is awaiting consideration on the floor of the House after unanimous approval by the House Foreign Affairs Committee, specifically provided that the authority to join the IRO does not commit Congress to any particular policy on immigration. The Department of State has made it clear throughout the discussion on this resolution that it believed that there was nothing in the IRO constitution to compel any country to absorb immigrants and that it is up to Congress to decide what our immigration policy shall be. In other words, the IRO participation bill takes an absolutely neutral position on immigration. We are now in the appropriate forum for such a decision.

I have tried to give the Committee a dispassionate analysis of the factual background of the displaced-persons problem. I would now like to present to the Committee our considered view as to the four possible solutions to the problem. The

responsibility for choosing one of these possibilities now rests squarely with the Congress, but I hope that I may take this opportunity to recommend the one course which seems to us the most preferable.

1. We could forcibly repatriate all of the displaced persons remaining in our zones. We could use the German police and our own soldiers to round up all of the displaced persons at point of bayonets, load them into trucks and box cars, and transport them to eastern Europe. Or, as a variation, we could herd them by force into a few collecting points and invite the military and governmental authorities of the eastern European countries to come and haul them off. We have not attempted such a policy to date. We would not attempt such a policy of our own accord.

2. We could close the displaced-persons camps and turn out the victims of German aggression to fend for themselves amidst their oppressors. The displaced persons do not want to become Germans. The Germans do not want the displaced persons to live among them. Economic conditions in Germany are so bad that displaced persons could not be supported. If Congress approves our membership in the IRO, it will mean that this course has been ruled out by Congress for the coming year at least. But as long as displaced persons retain that status in Germany, the Congress will be faced with a similar decision every year. Unless some other provision is made by Congress, this solution would ultimately have to be adopted by military government.

3. We could continue indefinitely to maintain displaced persons in camps, segregated from the economy and government of Germany. While this might afford an interim solution, it would not advance the problem any closer to an ultimate solution. On the contrary, such a course would condemn the DP's to a continued life of uncertainty and would dissipate their energies and skills. Moreover, the United States taxpayer would have to continue to pay for their upkeep either through the IRO or on a unilateral basis. Will Congress decide upon this course of action?

4. It is possible to resettle displaced persons in various countries of the world able and willing to receive them. This is the only alternative which, in my opinion, will settle the problem once and for all in a manner consistent with American principles. I do not suggest for a moment that

we take all of the displaced persons into our own country. I do say that we who have a majority of displaced persons now in our hands and subject to our ultimate governmental authority should take the lead in giving some of them a chance to recreate their lives in America. We have done all we can to bring in a maximum number under the existing quota laws, but as other witnesses have pointed out, the present laws do not permit this as a solution.

We will not lessen our efforts to resettle as many of these displaced persons as possible in Europe and Latin America, and to obtain a just solution of the Palestine problem which may enable a large number of displaced Jews to enter the Holy Land. But we cannot pursue these efforts with any degree of success if we ourselves are not willing to help relieve ourselves of our own problem.

During the course of the next few weeks you will hear many witnesses on this subject. They will represent many points of view and many walks of life. They will discuss all aspects of this problem. But when all the testimony is ready to be weighed carefully, Congress will still have to choose among these alternatives: forcible repatriation, abandonment to the German economy, indefinite maintenance in camps, or resettlement in various countries, including the United States. In my opinion H.R. 2910, which accepts the fourth alternative, points toward the right solution. The decision is for Congress.

## **Surplus Property Credit to Hungary Suspended**

[Released to the press June 2]

The United States Government is considering the situation which has arisen in Hungary. Pending clarification of developments there, it has been decided to suspend the further execution of the surplus-property credit agreement concluded with Hungary.<sup>1</sup> It is understood that, of the total credits authorized for Hungary by the Surplus Property Administration, amounting to 30 million dollars, over 15 million dollars has not yet been utilized.

<sup>1</sup> BULLETIN of Feb. 23, 1947, p. 341.

<sup>2</sup> For texts of notes exchanged between the two Governments, see Department of State press release 457 of June 5, 1947. For text of the agreement see BULLETIN of Feb. 4, 1945, p. 172.

## **Greek Air-Transport Agreement**

By a note dated May 2, 1947, the Greek Embassy in Washington gave notification of the approval by the Greek Parliament of the air-transport agreement between the United States and Greece signed at Athens on March 27, 1946. Accordingly, the agreement, pursuant to article 12 thereof, definitively entered into force on May 22, 1947.

## **Routes Designated in Air-Transport Agreement With Ireland**

The Department of State announced on June 5 that the determination of traffic points in the United States to be granted to an airline or airlines to be designated by the Government of Ireland, as provided for in paragraph B of the annex of the air-transport agreement concluded between the United States of America and Ireland in February 1945, has been accomplished through an exchange of notes between the Department of State and the Irish Legation.<sup>2</sup>

Airlines of Ireland authorized under the agreement are accorded, in the territory of the United States, rights of transit, non-traffic stop, and commercial entry for international traffic at Boston, New York, and Chicago on the following route:

Ireland via intermediate points to New York (via Boston) and Chicago, in both directions; provided that Chicago shall not be served on any flight serving New York and/or Boston.

## **President Truman Visits Canada**

The President left Washington for Ottawa on June 9 to return the visit of the Governor General of Canada to Washington last February. The President and Mrs. Truman were guests of the Governor General and Lady Alexander at Government House and later moved to the American Embassy.

On June 11 the President addressed the Senators and Members of the House of Commons in the House of Commons Chamber.

The President left Canada for Washington on June 12.

# Support Urged for Approval of Anglo-American Oil Agreement

## MEMORANDUM OF CHARLES FAHY, LEGAL ADVISER<sup>1</sup>

### I

Concern has been voiced in connection with the consideration of the Anglo-American petroleum agreement that the treaty will confer upon the Congress "new or added power to regulate or control the domestic petroleum industry of the United States in excess of such powers that may now be lawfully vested in the Congress . . ." (see resolution adopted January 22, 1947, by the directors of the American Petroleum Institute). This apprehension is apparently based on the assumption that the agreement is analogous to the treaty involved in *Missouri v. Holland*, 252 U.S. 416 (1920), and that the reasoning of that decision may be urged as supporting the validity of future Federal legislation dealing with matters normally within the sphere of the States.

The provision of the agreement brought into issue by this contention is article II, for by paragraph (a) of article VII "no provision in this Agreement, with the exception of Article II, is to be construed as applying to the operation of the domestic petroleum industry within the country of either Government." Article II provides:

"In furtherance of the purposes of this Agreement, the signatory Governments will so direct their efforts:

"(a) That all valid concession contracts and lawfully acquired rights shall be respected, and that there shall be no interference directly or indirectly with such contracts or rights;

"(b) that with regard to the acquisition of exploration and development rights the principle of equal opportunity shall be respected;

"(c) that the exploration for and development of petroleum resources, the construction and operation of refineries and other facilities, and the distribution of petroleum, shall not be hampered by restrictions inconsistent with the purposes of this Agreement."

This provision contemplates that the United States will, in furtherance of the purposes of the agreement, direct its efforts in accordance with certain principles which are stated therein. Article II is by its very nature not self-executing.

"A treaty is in its nature a contract between two nations, not a legislative act. It does not generally effect,

of itself, the object to be accomplished, especially so far as its operation is infra-territorial; but is carried into execution by the sovereign power of the respective parties to the instrument.

"In the United States a different principle is established. Our constitution declares a treaty to be the law of the land. It is, consequently, to be regarded in courts of justice as equivalent to an act of the legislature, whenever it operates of itself without the aid of any legislative provision. But when the terms of the stipulation import a contract, when either of the parties engages to perform a particular act, the treaty addresses itself to the political, not the judicial department; and the legislature must execute the contract before it can become a rule for the Court." [Chief Justice Marshall in *Foster v. Neilson*, 2 Pet. 253, 314 (1829).]

As such, article II cannot be given effect as municipal law *ex proprio vigore* the day the treaty comes into effect. In that sense, no Federal or State law can be deemed inconsistent with the treaty at the time it becomes effective and be held, for that reason, invalid.

The migratory bird treaty involved in *Missouri v. Holland*, although also not self-executing, differs fundamentally from the Anglo-American petroleum agreement. There the parties agreed not only to certain objectives but to the specific means by which those objectives were to be reached. The specific regulatory measures each government agreed to put into force were stated. Thus, that treaty provided (39 Stat. 1702) that the parties agreed that close seasons "shall be established" and defined what the close seasons were to be (articles II, III, and IV); that the taking of certain nests or eggs "shall be prohibited . . . under such laws or regulations as the High Contracting Powers may severally deem appropriate" (article V); that certain shipments "shall be prohibited"; and that certain packages transported or offered for transportation shall be marked in a specified manner (article VI). Finally, the treaty provided that the parties "agree themselves to take, or propose to their respec-

<sup>1</sup> Testimony presented to the Senate Committee on Foreign Relations on June 3, 1947, and released to the press by that committee on the same date.



tive appropriate law-making bodies, the necessary measures for insuring the execution of the present Convention" (article VIII).

Such is neither the portent nor the language of article II of the Anglo-American petroleum agreement. It states general principles to govern the conduct of the parties. It does not purport to indicate any specific measures by which those principles are to be observed. It only binds the parties to direct their efforts in conformity with those principles.

In faithfully performing this obligation a variety of measures might be initiated by this Government. A request to Congress for certain legislation might be one such measure. But, unlike the situation resulting from the migratory bird treaty, this Government is under no obligation to seek the enactment of any specific legislation the content of which is defined by the treaty.

The meaning of the phrase "so direct their efforts" appearing in article II is determinative of the answer to the question raised and the intentment of that phrase has not been left to speculation.

Individuals who represented this Government in negotiating this agreement, members of their staff, and industry advisers to the negotiators either have stated or will state to this Committee that by use of this phrase in the agreement it was not intended to give any new power to the Congress with respect to the subject matter of the agreement. They have also testified or will testify that the agreement was not intended to be in derogation of whatever jurisdiction and power the States may possess over the subject matter. Their testimony is part of the "preparatory work" to which a court will refer in interpreting a treaty.

"It [the preparatory work] may refer to the expression of opinion of Governments or authoritative members or committees of legislative bodies during the process of obtaining parliamentary approval of the treaty." [Lauterpacht, *Some Observations on Preparatory Work in the Interpretation of Treaties* (1935), 48 Harv. L. Rev. 549, 552, f.n. 3.]

Such clear expressions of what the intent was on this matter, voiced by qualified individuals, including representatives of the Executive branch of the Government, before this Committee, made part of the official record in the agreement-making process of this treaty, and, approved by the Senate, will be

of persuasive influence should the contrary position be urged at a later date before the courts of this country. See II Hyde, *International Law Chiefly as Interpreted and Applied by the United States* (2d rev. ed., 1945) § 533 D; V Hackworth, *Digest of International Law* (1943), § 497; I Willoughby, *The Constitution of the United States* (2d ed., 1929), § 319, to the effect that the construction of treaties by the political departments of the Government is held by the courts to be entitled to much weight. And should a different interpretation be urged before the Congress in the future, the testimony at this hearing will be in the record to refute it.

Measures initiated by this Government to fulfil its obligations under article II will have to rest on the powers which the Federal Government possesses under the Constitution and the statutes of the United States. In reliance upon such powers certain Federal legislation may be sought and enacted. The consequences that will attach in the field of Federal and State powers will be those which would follow in any event as the result of the exercise of such powers by the Congress.

## II

Concern has also been expressed that the Anglo-American petroleum agreement confers power or authority upon the International Petroleum Commission provided for in the agreement "to regulate or control the foreign operations of nationals of the United States" or "the domestic petroleum industry of the United States". (See resolution adopted January 22, 1947, by the directors of the American Petroleum Institute.) Such concern is not well founded.

Paragraph three of article IV defines the duties and responsibilities of the Commission. It provides that the Commission shall "consider" problems of mutual interest; that it shall "study" certain stated problems and matters; that it shall "prepare" certain estimates; that it shall "report" or "make" reports on certain matters. These are the extent of the Commission's duties and responsibilities.

"To study" and "to report" does not connote control or regulation. All that is entailed is the collection and consideration of information on problems of a given nature and the reporting of the results of such study. If any doubt can exist in this respect it is completely removed by para-



graph (b) of article VI which provides that the signatory powers agree:

"That no provision in this Agreement shall be construed to require either Government to act upon any report or

proposal made by the Commission, or to require the nationals of either Government to comply with any report or proposal made by the Commission, whether or not the report or proposal is approved by that Government."

### STATEMENT BY CHARLES B. RAYNER <sup>2</sup>

It is my purpose, with your permission, first, briefly to review the history of the negotiations that have resulted in the present Anglo-American petroleum agreement which is now before your Committee for consideration, and second, to discuss the intent and significance of the principles upon which agreement has been reached with the Government of the United Kingdom.

In November 1943, the Department of State, realizing the expanding international importance of petroleum growing out of events resulting from war conditions, invited the British Government to send delegates to Washington to discuss problems of mutual interest in the field of international petroleum. The discussions were to be of a preliminary and exploratory nature and, if agreement could be reached, were to be embodied in a bilateral agreement. This agreement was to be followed in due course by an international conference to develop a multilateral agreement in which all nations interested in the international trade in petroleum would be invited to participate. The invitation was accepted by the British Government.

President Roosevelt, early in 1944, appointed the following petroleum committee to handle the negotiations with the British:

Cordell Hull, Secretary of State, *Chairman*  
Harold L. Ickes, Secretary of the Interior and Petroleum Administrator for War, *Vice Chairman*  
James Forrestal, Under Secretary of the Navy  
Robert P. Patterson, Under Secretary of War  
Leo T. Crowley, Foreign Economic Administrator  
Charles E. Wilson, Vice Chairman, War Production Board  
Ralph K. Davies, Deputy Petroleum Administrator for War  
Charles Rayner, Petroleum Adviser, Department of State

Preliminary and exploratory conversations by technical committees took place between the two Governments in March 1944, the British Delegation being headed by Sir William Brown and the American Delegation by Charles Rayner. A tentative agreement was developed and recommended

for approval to their respective committees, who met in Washington during August 1944. The British Government's Delegation was under the chairmanship of Lord Beaverbrook. It met with the President's Committee on Petroleum, headed by Secretary Ickes as vice chairman. The result was an agreement on petroleum which was signed on August 8, 1944, and submitted by the President to the Senate on August 26, 1944, for its advice and consent to ratification.

A great deal of adverse comment followed the publication of the agreement. The American petroleum industry took the position that the agreement was so worded that it could be construed to cover operations of the domestic petroleum industry, that it gave mandatory powers to the International Petroleum Commission to be set up under the agreement, and that the confirmation of the agreement as a treaty gave to the Federal Government powers to control the industry not contained in present existing law. As none of these objectives was contemplated by the negotiators of the agreement and in view of the wide misunderstanding that was current as to the purpose and scope of the agreement, the President, at the request of the Secretary of State, on January 10, 1945, requested the Senate to return the agreement "in order that consideration may be given, in consultation with the Government of the United Kingdom, to whatever revision appears to be necessary to achieve its objectives and to remove grounds for misunderstanding."

Following the return of the agreement by the Senate, the objections raised by the American petroleum industry received careful and detailed study over a period of months by the interested governmental agencies. Consultation was had by

<sup>2</sup> Made before the Senate Committee on Foreign Relations on June 2, 1947, and released to the press on the same date. Mr. Rayner is Adviser on Petroleum Policy, Department of State.

the Petroleum Administration for War with representative members of the American petroleum industry and their advice and assistance given full consideration. Additional provisions were added to the agreement in order definitely to clarify its purpose and clearly to limit its scope to the international and not the domestic trade in petroleum and further to define the functions of the International Petroleum Commission as advisory and recommendatory only, with no executive powers. An informal meeting was then held before your Committee during which the terms of the revised agreement which were to be used as a basis for re-negotiation with the British were discussed in detail by representative members of the Government and of the American petroleum industry.

In September 1945 the American Delegation, under the leadership of Secretary Ickes, met in London with the British Delegation, headed by Emanuel Shinwell, the Minister for Fuel and Power. A revised agreement was successfully negotiated and was signed on September 24, 1945. At the request of the Secretary of State, President Truman submitted the agreement to the Senate on November 1, 1945, with a view of receiving its advice and consent to ratification. It is now before your Committee.

So much for the events leading up to the present status of the agreement. Now as to the intent and significance of the principles as they are stated in the agreement.

In the preamble to the agreement which is before you for consideration, the statement is made that it is essential to the security and well-being of nations that ample supplies of petroleum be available in international trade to meet increasing market demands and that furthermore the oil resources of the world are sufficient in volume amply to satisfy that demand. I think that statement is important and fully substantiated by the facts. The events of the war have conclusively demonstrated the essentiality of petroleum to the security and economic well-being of all nations. We are moving definitely into an age in which petroleum will play an ever-increasing part. The prospective growth of commercial aviation brought about by technological improvements resulting from war experience, the development of faster oil-burning transportation, and the increase in the mechanization of industry world-wide are all factors point-

ing to a universal and increasing demand for petroleum products. According to a study made by Dr. S. P. Coleman, director of the Standard Oil Company (New Jersey), filed with the Special Senate Committee Investigating Petroleum Resources, steadily rising world-wide petroleum demand will top 9,000,000 barrels daily by 1951-55 and 11,000,000 barrels by 1961-65 as compared with a prewar 1938 figure of 5,631,000 barrels and a 1946 demand of over 7,000,000 barrels a day. Against this prospective demand there are at present the following known major reserves:

	<i>billion barrels</i>
Western Hemisphere . . . . .	28
Middle East . . . . .	26
U.S.S.R. . . . .	6
	—
Total . . . . .	60

equivalent on the basis of present demand to some 24 years' available supply. However, the geological probabilities of many areas not yet thoroughly investigated are such as to warrant a conservative estimate that world reserves over-all are very much in excess of that figure. This includes, it should be noted, only the reserves of natural crude oil. It does not take into consideration potentially huge reserves from the conversion of natural gas, shale oil, or synthetic oil produced from coal. Consequently, it would appear that for the foreseeable future ample supplies of petroleum are available to meet the expected expanding demand in international trade in oil. It is important, therefore, to note that we are dealing with a commodity of which there is ample supply available to meet the economic requirements of all nations and not one in which there is an expected scarcity.

It is recognized that this agreement is preliminary to the calling of an international conference to consider the negotiation of a multilateral petroleum agreement and the two Governments agree that as soon as practicable they will propose to the governments of all interested producing and consuming countries the negotiation of an international petroleum agreement. However, since the vast majority of the world oil resources and of the international trade in petroleum is under the control of British and American nationals and since numerous problems of joint immediate interest were involved, it appeared desirable to conclude a British-American agreement as a prelim-

inary measure to the formulation of a multilateral agreement.

In articles I and II of the agreement certain principles are set forth in respect to the conduct of international petroleum trade. These principles include:

1. *The availability of ample supplies of petroleum in international trade to the nationals of all countries on a competitive and non-discriminatory basis.* The fact that petroleum reserves are not distributed uniformly throughout the world but occur only in certain limited geographic areas which, with the exception of the United States, are not major consumers of petroleum and the further fact that many large consumers have very limited indigenous production have given rise to many troublesome questions in the acquisition of petroleum supplies. This situation takes on increased significance in consideration of the future importance of petroleum to the economic progress of nations and makes it all the more important that ample supplies should be made available on a competitive and nondiscriminatory basis in international trade.

2. *A recognition of the economic interests of the producing countries in the development of their petroleum resources.* Petroleum resources to a considerable extent have been found in countries whose economic and political advancement has not as yet reached full development. Concessions for the development of these resources have been granted in many instances to British and American nationals. This principle does not assume any paternalistic attitude toward those countries or imply that their resources have been exploited unfairly, but it does recognize that the royalty and other benefits accruing to the country of origin should be fair and reasonable and conducive to its economic advancement. It does not imply any interference with or jurisdiction over the manner in which such revenues are utilized by the country where the petroleum is produced; it is, however, a clear recognition that those revenues should encourage sound economic progress.

3. *Respect for valid concession contracts and lawfully acquired rights.* This principle means that all valid concession contracts and rights should be respected by both Governments and that no efforts should be made by either Government to molest such concessions and rights. This should

put an end to the suspicion and mistrust that, particularly in the important Middle Eastern area, have beclouded Anglo-American relations in the past decades. The reference to valid concession contracts does not imply that any agency or mechanism will be established to pass upon the validity of existing concession contracts.

4. *The principle of equal opportunity in acquiring exploration and development rights.* Unilateral political intervention and undue political pressure should not be brought to the support of oil companies seeking concessions. The principle of equal opportunity should prevail. This means that neither Government should take advantage of any special political position to influence the granting of concessions to its nationals but should confine its activities to the normal processes of diplomatic support. It means that in third countries where either Government might have special political influence no effort should be made to impose nationality clauses or other restrictive requirements which discriminate against the nationals of other countries.

5. *That the operations of the petroleum industry shall not be hampered by restrictions inconsistent with the purpose of this agreement.* This principle restates the basic purpose and intent of the agreement: that the international petroleum trade should be conducted in an orderly manner on a world-wide basis to the end that ample supplies of petroleum become available in international trade to meet the economic needs of all countries, subject always to considerations of military security and to the provisions of such arrangements for the preservation of peace and the prevention of aggression as may be in force. Neither Government should impose restrictions that are inconsistent with this general purpose.

It would appear evident, therefore, that the acceptance and open recognition of each of these principles not only is in accord with our general foreign policy, particularly with reference to its advocacy of free enterprise, but would also result in tangible, concrete benefits to this Government and to its nationals engaged in international trade in petroleum.

It is important to note that the agreement has reference to the *international* and not the *domestic* petroleum trade. This reference is clarified by article VII which states that no provision in this

agreement, with the exception of article II (see 3, 4, and 5 above referring to valid concession contracts, equal opportunity, and inconsistent restrictions), is to be construed as applying to the operation of the domestic petroleum industry within the country of either Government. Again, in this connection, the statement is made (article VII (b)) that nothing in this agreement shall be construed as impairing or modifying any law or regulation, or the right to enact any law or regulation, relating to the importation of petroleum into the country of either Government. This latter clarification of the agreement was inserted at the expressed request of representatives of the American petroleum industry who wished it made perfectly clear that this agreement did not have any effect upon the import policy of the United States.

Pending the formulation of a multilateral petroleum agreement, the two Governments agree to establish an international petroleum commission composed of six members, three of whom are to be appointed by each Government. A great deal of study was given to the functions of this commission. Furthermore, it was felt that it was essential to their work that they should maintain close contact and have full and adequate consultation with their nationals engaged in the petroleum industry. It seems to me important that on such a highly technical problem as the international petroleum trade there should be continued on an appropriate scale the industry-Government collaboration which was so successfully conducted during the war by the Petroleum Administration for War.

The functions of the commission are stated in the agreement as comprising a study of (1) the problems of the international petroleum trade caused by the necessity for postwar adjustments; (2) past and current trends; and (3) the effects of changing technology upon the international petroleum trade. In addition, the commission is to prepare periodic estimates of world demands for petroleum and the supplies available for meeting such demands. The commission is to make such additional reports as it may consider appropriate. The functions of the commission are limited to studying and reporting on problems affecting international trade in petroleum. It is thus limited to a purely advisory and recommendatory body. This limitation is still further emphasized by arti-

cle VI which states that no provision in this agreement shall be construed to require either Government to act upon any report or proposal made by the commission or to require their nationals to comply thereto, whether or not the report or proposal is approved by that Government.

The effectiveness of the studies and reports of the commission will depend, therefore, upon their merit, for neither the commission nor the Government is given any power of enforcement. The merit of such studies and reports will depend in turn upon the caliber of the men appointed to the commission by the two Governments. Certainly they should be men of high standing and of unquestioned ability with an intimate knowledge of the problems affecting international trade in petroleum. It is my opinion that they should be, or should become upon their appointment, Government employees, and that the commission should consist of one or more men whose understanding of petroleum problems is based upon actual experience with the industry itself, and that as Government representatives they should not be affiliated with any group within the industry. Only, in my judgment, can representatives possessing those characteristics command the full confidence and respect of both Governments and the petroleum industry.

The agreement comprises no elements of compulsion and is voluntary and consultative in nature. Hence it might well be asked—What does the agreement accomplish and why do we need an agreement? I think that the following summary of what the agreement actually does accomplish will fully answer those questions:

1. The agreement provides for a cooperative approach to common problems and specifically for the establishment of a forum where technical and economic relations in the field of international petroleum are to be discussed by expert representatives of both Governments.

2. It provides for full and adequate Government-industry collaboration and consultation in the activities and deliberations of the Government experts who form the commission.

3. It lays the foundation for the negotiations of a multilateral petroleum agreement based upon the general acceptance by all interested producing and consuming countries of the principles embodied

in this agreement as a means of promoting their national and economic well-being.

4. It embodies an explicit condemnation of practices and arrangements restrictive to the satisfaction of an expanding international trade in petroleum whether such practices and arrangements reflect governmental or private policy.

5. It asserts a respect for legally acquired concessions and rights; it provides an assurance against the molestation of such rights by either country; and thus it should do away with the atmosphere of suspicion and mistrust which to a certain extent clouded international relations in the past.

6. It embodies a formal recognition by both Governments of the principle of equal commercial opportunity in the acquisition of exploration and development rights.

7. It embodies a recognition that when rights are acquired to explore for oil and to develop the

petroleum resources of any third country, the interests of such producing country should be safeguarded with a view to its economic advancement.

8. Finally, it provides a method of attempting to resolve at their inception the difficulties which may arise in our international petroleum relations, thus preventing them from developing into issues of major proportions which might possibly lead to drastic unilateral action.

In closing, may I state that I consider this Anglo-American petroleum agreement an extremely important step forward in the proper conduct of our foreign relations. It will serve to bring about international good-will and understanding in the field of a vital commodity that is becoming increasingly important to both our national security and our economic well-being. I recommend it most strongly to your favorable consideration.

## Extension of Second War Powers Act Requested

### STATEMENT BY UNDER SECRETARY ACHESON<sup>1</sup>

The United States is in a position of world leadership unparalleled in its history. Our foreign policy, therefore, vitally concerns not only our own people but all other peoples of the world. The success of our foreign policy rests on our ability to carry out the things that we say we are going to do. Failure to carry out our programs and policies is a disaster to us and to those who rely upon us. To embark upon programs without the capacity to carry them out effectively and on time is to court disaster. Certain of the essential tools required if our foreign policy is to accomplish its purposes are contained in the bill (H.R. 3647) now before this committee.

It is unnecessary to dwell on the state of economic dislocation, physical destruction, and human misery of the countries of Europe and Asia today. The Congress has been fully informed of these conditions and has responded by enacting many essential laws. However, the provision of monetary aid to hard-pressed countries and desperate peoples is only a part of the task. Those funds must be translated into coal, food, fertilizer, tools, equipment, and supplies. Reconstruction of

railroads, roads, waterways, ports, and bridges must be undertaken, and this requires the procurement of the necessary materials. Most of these materials are obtainable without the use of priorities, but in a few cases there may be long delay in procuring certain vital items without which a whole program may be held up indefinitely. We must be able to have the right materials available at the right time.

The Greek-aid program furnishes a concrete illustration of what I am driving at. Three sizeable bridges and a tunnel are needed to restore the Athens-Salonika railway. The lack of perhaps a single item, delaying the restoration of any one of these, would be a major setback to the entire rehabilitation task which depends so largely on effective means of transportation. We would use the priorities powers requested in this bill only to get that particular item, since most of the items needed for this project can be obtained without priorities. Let me give you another example.

<sup>1</sup> Made before Subcommittee 4 of the Judiciary Committee of the House of Representatives on June 6, 1947, and released to the press on the same date.

Sixty-five locomotives for Greece have been obtained from army surplus supplies in Germany. These locomotives, however, are useless until harbor cranes are operable at the ports to unload heavy freight. If motors to activate those cranes were unobtainable in time through normal channels, we might have to resort to priorities to assist in their procurement.

In the vast majority of cases export needs can be met, without priorities support, through the cooperation of American agriculture and industry. It is the exceptional case—"the gear without which the machine is useless"—that requires priorities assistance.

This power would be exercised only in the most exceptional circumstances. Only those cases where it is found vitally necessary to insure the prompt export of a particular bottleneck item would receive certification by the Secretary of State. He would make this certification only on the basis that the need for the article is so compelling that its prompt export is of high public importance and essential to successful carrying out of the foreign policy of the United States.

The dual safeguards of certification for urgency and certification on each item rather than on a general program would effectively limit the use of these powers. Furthermore, the Department of Commerce would, before issuing a priority rating, determine that the export of the item in question would not have an unreasonable impact on our domestic economy. In other words, the Secretary of State would certify as to eligibility for priorities assistance, and the Department of Commerce would decide whether assistance could be granted without unreasonable disruption in the United States.

The bill before this committee enumerates the allocation powers which are required for a limited number of named commodities. This is feasible for important basic commodities which we know are in serious short supply at this time and will be for some time to come. However, in the general area of manufactured products, which includes many essential items, it is impossible to be so precise. The constantly shifting patterns of supply and demand make it impossible to predict the items which may cause serious delays in the future. It is therefore necessary that the certification of items which at a particular time may

require priorities assistance be left for determination by the Secretary of State.

In addition to the provisions for the exercise of priorities powers on bottleneck items, the bill also provides for export priorities assistance for two specified commodities which clearly will continue in such short supply that these measures are required for dealing with them. Those commodities are tin products and nitrogen fertilizers.

Tin-plate exports from the United States are used for canning perishable foods abroad which might otherwise be lost through spoilage. By assisting in the preservation of these foodstuffs, the United States is, in part, relieved of the necessity of exporting even larger supplies of food to the needy countries of the world.

The assurance to other countries of equitable supplies of nitrogen fertilizers, through the use of export priorities assistance, has much the same effect on United States exports of food. It has been estimated that in Europe the lack of one ton of nitrogen for soils requiring this plant food results in the loss of from 10 to 15 tons of grain. Clearly it is a net gain to ship fertilizer across an ocean rather than many times that amount of food.

The importance of nitrogen fertilizers is further indicated by the careful international allocation of this material which is being carried on to prevent maldistribution. Without the full cooperation of the United States—the world's largest producer and consumer of nitrogen fertilizer—continued international allocation would be impossible. Our failure to participate in world allocations would put us in the unfortunate position of preventing other nations, whose consumption levels are already far below ours, from obtaining desperately needed supplies of fertilizer.

The controlled international distribution of some of the major foods will be necessary for some time to come despite the progress which has been made in expanding food production at home and abroad. Thus another important aspect of the bill is its provision for the continuation of import controls of fats and oils and rice. These are the only commodities for which continuation of import controls is considered necessary. By exercising import controls we can prevent an influx of these commodities into the United States at the direct expense of other nations whose needs are far greater than ours. This can be done while still

assuring our own consumers ample supplies, far greater than those available to others.

I have concentrated my attention on those aspects of the bill which have the most direct effect in the international field. The other provisions of the bill are likewise important. Allocation powers over tin, antimony, fibers, and quinine and export priorities for the materials needed to expand the production abroad of things needed in the United States are matters of more immediate concern to those agencies whose functions lie in the domestic field. We have discussed these matters with them and are convinced that there is a real justification

for the extension of the allocation authority over these commodities.

We make this request for extension of emergency powers reluctantly. We are fully aware that the continuance of such interference with the normal and unfettered operations of our economic system, even though it may occur in relatively few cases, is not consistent with our traditional system of free enterprise and our customary way of doing business. Nevertheless, in these few cases the consequences of our being unable to act effectively are likely to be so serious, in my opinion, as to outweigh this objection.

## Request for Presidential Authority To Detail Military and Naval Missions

### STATEMENT BY THE SECRETARY OF STATE<sup>1</sup>

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

The bill under consideration this morning, H. R. 2313, is identical with one which was introduced into both Houses of the previous Congress, was passed by the House of Representatives and favorably reported to the Senate, but not acted upon by that body before the Congress adjourned. The bill takes the form of amendments to the Act of May 19, 1926, which authorized the President in his discretion to detail United States military and naval missions to assist in military and naval matters the Governments of the American republics which might request him to do so. An amendment approved on May 14, 1935, extended the Act to the Commonwealth of the Philippine Islands. A further amendment, effective October 1, 1942, authorized the President "during war or a declared national emergency" to detail military and naval missions to the governments of such other countries as he deemed it in the interests of national defense to assist.

The essential purpose of the bill which the State, War, and Navy Departments jointly request the Congress to approve is to give the President the same discretionary authority to detail military and naval missions in time of peace that he now has under his war powers, when requested to do so by governments other than those of the American republics or the Philippine Islands.

There are a number of sound reasons why the State, War, and Navy Departments believe it im-

portant to the national interest that Congress should approve this bill. Before discussing them, however, I wish to mention some misconceptions as to the nature of military and naval missions which the recent hearings on the bill to furnish assistance to Greece and Turkey indicated may exist in the public mind. Such missions are usually small in number of individuals. They could not in any sense be described as military units, nor could they conceivably be thought of as expeditionary forces. The members of these missions, both officers and enlisted men, are usually specialists and are drawn from the various branches of the service to which they belong.

It is no doubt true, as was suggested in the hearings on the Greek-Turkish bill, that the President could send these officers and enlisted men abroad under his constitutional powers. He does, however, need the authorization of Congress to detail them to assist foreign governments. The very fact that they are so detailed, however, means that their functions are essentially of an advisory rather than an operational nature.

I should now like to summarize briefly some of the reasons that have led our three Departments to request the Congress to give the President the discretionary authority provided for in the bill

<sup>1</sup> Made before the Committee on Armed Services of the House of Representatives on June 3, 1947, and released to the press on the same date.



under consideration. As stated in the memorandum<sup>2</sup> which accompanied the draft of this bill, developments during the course of World War II have emphasized the strategic importance of the Near and Middle and Far East regions, the component countries of which are in a state of intense political, social, and economic readjustment. Some have just emerged from the condition of conquered territories, others have been only recently released from the condition of semi-subject peoples under the mandate system. Many of them need educational and technical assistance to increase their stability and security. We feel that it would be in the national interest to comply with the requests we have received from some of these countries for assistance in the form of military and naval missions to enable them to maintain internal security. It was decided, however, that it would be unwise to comply with these requests in the absence of permanent authority to do so. As you know, such authority has now been given the President in the case of Greece and Turkey, and the previous Congress authorized the detail of a naval mission to assist the Chinese Government.

It is the traditional policy of the United States to aid the nations of the Western Hemisphere to maintain their independence. In view of the added world responsibilities imposed on this Government as a result of the recent war, we feel that we should be able in appropriate circumstances to extend this policy to friendly nations in other parts of the world.

Article 78 of the Charter of the United Nations states that relations between members "shall be based on respect for the principle of sovereign equality". This objective could hardly be achieved in the case of any nation in which there is serious danger of internal disorder. Lack of authority to send military and naval missions to assist friendly foreign governments, when requested by them to do so, deprives the President of the use of one of the tools which should be at his disposal, we think, if this Government is to implement its avowed policies of interest in the conditions of peace throughout the world and of full participation in world affairs commensurate with its new responsibility as a world power.

To be specific, in addition to the missions in the American republics and the Philippines under the

Act of 1926, the United States now has under the President's war powers two small military missions detailed to assist the Government of Iran, one working with the Iranian Army and the other with the Iranian Gendarmerie. The total number of officers and enlisted men involved is less than 40. We think that these two missions are doing an outstanding job, first, by aiding in the maintenance of the independence of a member of the United Nations; second, by instilling in the Iranian Army and Gendarmerie the American principle that the proper function of security forces is to maintain internal law and order rather than that of engaging in politics or oppressing the population; and, third, by maintaining peace in one of the key points where it might be disturbed.

There is also operating under the President's war powers an Army Advisory Group at Nanking, China. This Group advises the Chinese Government in establishing the facilities, schools and such, for the basic training of the Chinese Army. Its activities are strictly divorced from any association with the conduct of hostilities in that country. It has long been our policy with respect to China to assist that country in the development of an effective Army and Navy, so limited in size as not to become an undue burden on the Chinese financial structure.

In view of the importance of these missions, the desirability of enabling us to formalize our arrangements with China and Iran is obvious. The failure to obtain such authority would require the withdrawal of these missions upon the termination of the President's war powers, and I believe there is no doubt but that such action would be detrimental to the interests of the United States.

In addition to the amendment which would authorize the President to detail military and naval missions to governments other than the American republics and the Philippine Republic, in the absence of war powers, the three Departments are also suggesting two or three additional amendments in the interest of perfecting the present permanent legislation. The bill now under consideration would, for example, authorize the United States Government to accept, in the discretion of the Secretary of War or the Secretary of the Navy, the compensation which the officers and enlisted men detailed to such missions are authorized to accept from the governments to which

<sup>2</sup> Not printed.



detailed, for direct remittance to them. The officers and enlisted men so detailed would also be authorized to receive, in the absence of compensation from foreign governments, such additional compensation as might be determined by the Secretary of War or the Secretary of the Navy and approved by the President. These two amendments are considered desirable as a result of past experience, and I can confirm this from my own experience as Chief of Staff of the Army. Representatives of the Army and Navy are prepared to explain these amendments in greater detail if desired.

I think that the passage of the bill is in the national interest. I hope that it may receive the approval of the Congress.

## Argentina Urges Mutual Assistance

[Released to the press by the White House June 3]

The Argentine Ambassador,<sup>1</sup> who has just returned from Argentina, reviewed with the President and the Secretary of State the steps which his Government has taken and is continuing to take in fulfillment of its commitments undertaken in the final act of the Inter-American Conference on Problems of War and Peace. He expressed the view of his Government that no obstacle remained to discussions looking toward the treaty of mutual assistance contemplated by the Act of Chapultepec. The President indicated his willingness to renew the consultations with the governments of the other American republics initiated by the United States memorandum of April 1, 1946, on this subject.<sup>2</sup>

## Nonrecognition of Present Nicaraguan Regime

[Released to the press June 5]

Dr. Guillermo Sevilla Sacasa<sup>3</sup> called at the State Department on his own initiative on June 5. He was received in his private capacity. He outlined to Ellis O. Briggs, Director of the Office of American Republics Affairs, his views concerning recent happenings in Nicaragua.

Dr. Sevilla Sacasa was informed of the concern of this Government over the seizure of power which took place on May 25-26.<sup>4</sup> He was informed further that the United States Government is now discussing this situation with the other American republics and that pending further developments

the Government of the United States would not be disposed to enter into official relations with the regime now in power in Nicaragua.

## Erratum

In the article, "Aspects of American Economic and Technical Aid to Foreign Countries Since Mid-1945", which appeared in the BULLETIN of May 18, 1947, p. 962, second column, sixth paragraph, sixth line, "*500 million dollars*" should be changed to read "*500 thousand dollars*".

### Childhood Protection—Continued from page 1158

Council of the Institute should be held at Caracas at the time of the Ninth Pan American Congress. Two sessions of the Council were tentatively scheduled, the first in advance of the formal opening of the Congress and the second following the close of the Congress, in order that appropriate action might be taken on its recommendations. The hope was expressed that all of the American governments will designate as delegates to the Ninth Pan American Child Congress persons technically qualified to discuss problems of child health, welfare, and education with which the Congress will deal.

The program of work for the Institute in the forthcoming year includes further preparation for the Child Congress and the Bogotá Conference; continuation of the current studies of the Department of Health and possible initiation of a study of parasitosis; compilation of laws enacted by the American governments on matters affecting the health, education, and welfare of children; formulation of a model "children's code" for discussion in the appropriate section of the next Child Congress; development of closer relationships with Pan American and world organizations; and cooperation with each of the American governments in all plans for promoting the health and well-being of American children.

<sup>1</sup> Oscar Ivanissevich.

<sup>2</sup> BULLETIN of Apr. 21, 1946, p. 666.

<sup>3</sup> Nicaraguan Ambassador to the United States

<sup>4</sup> Ex-President Anastasio Somoza on May 25 seized key points in Managua, surrounded the Presidential Palace, and took control of the country from President Arguello. President Arguello sought asylum at the Mexican Embassy in Managua.

## Marines Evacuate 74 From Area of Chinese Communist Operations

[Released to the press May 26]

The Department of State has been informed by the American Consulate General in Tientsin of the arrival there May 24 of a Marine Corps LCI bearing 74 persons of various nationalities, including two American citizens, evacuated from the port of Peitaiho because of Chinese Communist military operations.

The two Americans are Clinton Sharp and George Simme, both of whom are associated with the American Methodist Mission at the town of Changli, located a short distance from Peitaiho and about 75 miles northeast of Tientsin on the Tientsin-Mukden railroad.

The 74 persons evacuated also included Mrs. Sharp and Mrs. Simme, non-Americans; 9 British; 8 French; 1 Greek; 2 Belgians; 4 Chinese; 26 Russians, of whom about half are Soviet citizens; 3 Italians; 9 Germans, and the remainder unidentified servants. Two American men did not avail themselves of the opportunity to be evacuated and remained at Peitaiho. In addition, Edward Dixon, an American also associated with the American Methodist Mission at Changli, arrived safely at Tientsin overland from Changli.

The Americans arriving at Tientsin reported that the Chinese Communist troops attacked Changli on May 18, overwhelmed the small number of Chinese Government troops stationed there, engaged in widespread destruction and looting, and killed "quite a few" Chinese civilians. They burned various buildings, including Chinese Government structures. Within the compound enclosing the American Mission the Chinese Communists burned a residence housing personnel attached to the Chinese organization of UNRRA, and took as loot 95 percent of the belongings from the mission residences, 90 percent of the belongings from the mission school, and 100 percent of the belongings from the mission 80-bed hospital, including beds, X-ray equipment, surgical instruments, medicines, et cetera. They brought numerous carts and commandeered other vehicles to haul away the loot, which included quantities of flour and cloth from the city.

Evacuees reported that the Communists did

not injure them but that they expressed bitter anti-American sentiments. The Communists promptly rounded up 200 to 250 Chinese boys from the mission middle school and 50 Chinese girls from the mission girls' school, and marched the group seven miles into the hills "to educate them, as they were too American". They also took with them three elderly American women teachers, who after two days of captivity finally persuaded the Communist leaders to return the entire group safely to Changli. These three women, Dr. Clara Nutting, Lois Battin, and Pansy Griffin, apparently have remained in Changli.

## Information on American Evacuees From North China

[Released to the press June 2]

The Department of State has received additional information from the American Consulate General in Tientsin concerning the identity and whereabouts of American citizens located in the area of North China involved in military operations.

The two American citizens among the 74 persons evacuated by a Marine Corps LCI from the port of Peitaiho, all of whom arrived at Tientsin May 24 as announced by the Department on May 27, are Clinton Sharp and Mrs. George Simme. Both were erroneously identified as being associated with the American Methodist Mission at Changli, near Peitaiho. Information subsequently received discloses that Mr. Sharp, a retired non-commissioned officer of the 15th Infantry, United States Army, and his wife, reside at Peitaiho. Mrs. Simme was residing at Peitaiho with her son, Louis Ladow, an American, manager of a hotel there, who declined evacuation.

## Joseph E. Jacobs Appointed Political Adviser to USAF in Korea

[Released to the press May 29]

Joseph E. Jacobs, Foreign Service officer, has been appointed as political adviser to the Commanding General, United States Army Forces in Korea, and was to depart for his post on May 31. Mr. Jacobs, who is a specialist on the Far East and has recently served in Albania, has experience and qualifications which will be of particular value to the work of the Joint Commission now in session in Seoul.

# Consular Convention With the Republic of the Philippines <sup>1</sup>

## THE PRESIDENT'S LETTER OF TRANSMITTAL

THE WHITE HOUSE,  
*June 4, 1947.*

*To the Senate of the United States:*

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the consular convention between the United States of America and the Republic of the Philippines, signed at Manila on March 14, 1947.

I also transmit for the information of the Senate the report by the Secretary of State with respect to the convention.

HARRY S. TRUMAN

(Enclosures: (1) Report of the Secretary of State; (2) Consular Convention between the United States and the Republic of the Philippines, signed March 14, 1947.<sup>2</sup>)

## REPORT OF THE SECRETARY OF STATE

DEPARTMENT OF STATE,  
*Washington, June 2, 1947.*

The PRESIDENT,

*The White House:*

The undersigned, the Secretary of State, has the honor to lay before the President, with a view to its transmission to the Senate to receive the advice and consent of that body to ratification, if his judgment approve thereof, a consular convention between the United States of America and the Republic of the Philippines, signed at Manila on March 14, 1947.

The convention establishes the rights, privileges, immunities, and exemptions of consular officers of the United States in the Philippines and of consular officers of the Philippines in the United States.

Article II of the treaty of general relations between the United States of America and the Republic of the Philippines, signed at Manila on July 4, 1946, contains provisions relating to consular representation, as follows:

... The consular representatives of each country, duly provided with exequatur, will be permitted to reside in the territories of the other in the places wherein consular representatives are by local laws permitted to reside; they shall enjoy the honorary privileges and the immunities accorded to such officers by general international usage; and they shall not be treated in a manner less favorable than similar officers of any other foreign country.

By an exchange of notes dated July 10 and 12,

*June 15, 1947*

1946, between the Philippine Secretary of Foreign Affairs and the American Ambassador in Manila, the two Governments confirmed that they would observe the provisions of article II of the treaty of general relations "pending final ratification thereof." The treaty of general relations entered into force on October 22, 1946, upon the exchange of instruments of ratification thereof.

The consular convention signed on March 14, 1947, contains provisions, comprehensive in scope, similar in substance to provisions in consular conventions or to consular provisions in treaties of friendship, commerce, and consular rights in force between the United States and many foreign countries. For example, the provisions in articles I, II, IV, V, VI, VII, VIII, IX, X, XI, XII, XIII, XIV, and XVI of this convention correspond, respectively, to the provisions in articles I, II, III (par. 1), IV, V, VI, VII, VIII, IX, X, XI, XII, XIII, and XIV of the most recently concluded consular convention between the United States and a foreign country; namely, the consular convention with Mexico, signed on August 12, 1942, which entered into force on June 1, 1943 (57 Stat., pt. 2, 800). Article III of the convention with the Republic of the Philippines corresponds to provisions in numerous existing treaties or conventions of the United States; for example, the

<sup>1</sup> S. Exec. Q., 80th Cong., 1st sess.

<sup>2</sup> Not printed.

second paragraph of article VI of the consular convention of April 22, 1926, with Cuba (44 Stat. 2471), the second and third paragraphs of article XXI of the treaty of friendship, commerce, and consular rights of February 13, 1934, with Finland (49 Stat. 2659), and the third and fourth paragraphs of article III of the consular convention of October 7, 1938, with Liberia (54 Stat. 1751). Article XV has no exact counterpart in existing treaties or conventions of the United States, but is consistent with the principles and purposes of standard consular provisions and its effect is simply to express an understanding which, for all practical purposes, would be given effect in any event.

Among the principal exemptions to be accorded under the convention to consular officers of each country in the other country, and to certain other

persons, are the exemptions provided in article IV with respect to taxes levied on their persons or property and on salaries, allowances, fees, or wages received for consular services, and the exemptions provided in article V with respect to duties on the importation of baggage and other personal property.

It is provided in article XVI that the convention shall take effect upon the exchange of ratifications, shall continue in force for the terms of 10 years, and shall continue in effect after that period subject to the right of either party to give 6 months' notice to the other party of an intention to terminate the convention.

Respectfully submitted.

G. C. MARSHALL

(Enclosure: Consular convention between the United States of America and the Republic of the Philippines, signed March 14, 1947.)

## Spruille Braden Resigns as Assistant Secretary of State

### LETTER FROM THE PRESIDENT TO MR. BRADEN<sup>1</sup>

*June 4, 1947.*

DEAR SPRUILLE: In accordance with the desire expressed in your letter of May twenty-ninth, I am reluctantly accepting your resignation as Assistant Secretary of State, effective at the close of business on June thirtieth next. I am guided by your wishes in this matter, recognizing both the personal sacrifices which you have made in order to serve our Government and your important contributions over the past fourteen years to the cause of inter-American understanding, democracy and peace.

Your record of public service has been outstanding whether as delegate to international conferences or as Ambassador in such important posts as Colombia, Cuba, and Argentina. The country has

been the beneficiary of your patient and skillful negotiations in the various fields in which you have served.

I feel that yours has been a record of fine achievement and I accept your resignation with sincere regret, at the same time realizing not only that you have earned a vacation from public office but also that your obligations to your family and yourself now make imperative your return to private business.

I take this occasion to express to you my thanks and to send you my warmest personal good wishes for your success in the years to come.

Very sincerely yours,

HARRY S. TRUMAN

### LETTER OF RESIGNATION FROM MR. BRADEN<sup>1</sup>

*May 29, 1947.*

MY DEAR MR. PRESIDENT: It is with regret that I tender my resignation as Assistant Secretary of State, which I should like to take effect on July 1.

It has been a very great privilege to serve our

Government and I am withdrawing from official life with many happy associations and experiences. When I acceded to Secretary Byrnes' request almost two years ago that I come to Washington from Buenos Aires where I was then serving as Ambassador, I had already given more than ten consecutive years to Government service. I explained to him that I had long neglected my

<sup>1</sup> Released to the press by the White House on June 4, 1947.

**THE DEPARTMENT**

personal affairs and for this reason I could accept only on a provisional basis, for a year or so.

My responsibilities to my family now make imperative my return to private business at an early date, and it is accordingly my hope that you will see fit to relieve me of the duties that I have had the honor to perform in the Department of State.

In closing, Mr. President, please accept my expressions of profound appreciation for the personal friendship and confidence you have shown me.

I am, my dear Mr. President,

Respectfully and cordially yours,

SPRUILLE BRADEN

**Program for National Security**

*A Program for National Security, May 29, 1947, Report of the President's Advisory Commission on Universal Training* was released to the press by the White House on May 29. The report discusses the following topics: the world situation and the preservation of peace, the nature of possible future warfare, the essentials of an integrated national security program, the role of universal training in supporting the requirements for national security, a program for universal training, and a summary of findings and recommendations.

The publication is for sale by the Superintendent of Documents, Government Printing Office, Washington 25, D.C., at 75¢.

**THE FOREIGN SERVICE****Consular Offices**

A consular section was opened in the American Embassy at New Delhi on May 12, 1947.

The Consulate General at Changchun, China, was established April 15, 1947, and opened to the public May 5.

The American Consulate at Poznan, Poland, was changed to the status of Vice Consulate on May 1, 1947.

The American Legation to the Union of South Africa has been moved from Capetown to Pretoria.

**Office of Political Adviser Moved**

The Office of the United States Political Adviser at Caserta, Italy, was moved to Leghorn, Italy, on April 6, 1947.

June 15, 1947

**Appointment of Officers**

Margaret R. T. Carter as Chief, Division of Public Liaison, effective May 4, 1947.

Charles C. Stelle as Chief, Division of Research for Far East, effective January 12, 1947.

W. Pierce MacCoy as Special Assistant to the Director, Office of Departmental Administration, effective May 23, 1947.

Arch K. Jean as Chief, Division of Departmental Personnel, Office of Departmental Administration, effective May 23, 1947.

**Confirmation**

The Senate on May 28, 1947, confirmed the nomination of Robert A. Lovett to be Under Secretary of State.

**THE CONGRESS**

Supplemental Estimate of Appropriation for Surplus Property, Care and Handling Overseas; Communication from the President of the United States, transmitting the supplemental estimate of appropriation for the fiscal year 1947 in the amount of \$75,000,000 for surplus property, care and handling overseas. H. Doc. 251, 80th Cong., 1st sess. 3 pp.

Amending the Philippine Rehabilitation Act, as Amended. S. Rept. 166, 80th Cong., 1st sess., to accompany S. 1020. 6 pp. [Favorable report.]

Authorizing the Administrator of Veterans' Affairs To Continue and Establish Offices in the Territory of the Republic of the Philippines: Report from the Committee on Finance, to accompany S. J. Res. 115. S. Rept. 177, 80th Cong., 1st sess. 4 pp.

Federal Reincorporation of Export-Import Bank of Washington: Report from the Committee on Banking and Currency, to accompany S. 993. H. Rept. 393, 80th Cong., 1st sess. 6 pp.

United States Information and Educational Exchange Act of 1947. H. Rept. 416, 80th Cong., 1st sess., To accompany H. R. 3442. 8 pp. [Favorable report.]

Draw-Back Upon Exportation of Distilled Spirits and Wines. H. Rept. 422, 80th Cong., 1st sess., To accompany H. R. 959. 2 pp. [Favorable report.]

Extension of the Second War Powers Act: Message from the President of the United States transmitting his recommendation for extension of the Second War Powers Act. H. Doc. 266, 80th Cong., 1st sess. 3 pp.

Assistance to Greece and Turkey. H. Rept. 377, 80th Cong., 1st sess., To accompany S. 938. 5 pp. [Favorable report.]

The Inter-American Military Cooperation Act: Message from the President of the United States transmitting a draft of a proposed bill to be entitled "The Inter-American Military Cooperation Act". H. Doc. 271, 80th Cong., 1st sess. 6 pp.

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# *The Department of State*

*Vol. XVI, No. 416*

*June 22, 1947*

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## ECONOMIC COOPERATION WITH CANADA, 1941-1947

by Richardson Dougall

*A brief survey of the major economic fields in which cooperative action has been taken by the United States and Canada since the Hyde Park agreement of 1941.*

### The Hyde Park Agreement

The charter of Canadian-American economic cooperation during World War II was the announcement made at Hyde Park by President Roosevelt and Prime Minister Mackenzie King of Canada on April 20, 1941. This statement, usually referred to as the Hyde Park agreement or the Hyde Park declaration, announced agreement on the general principle that the United States and Canada, in mobilizing the resources of the North American continent for hemispheric defense and for aid to Great Britain and other democracies, should provide each other with the defense articles which each was "best able to produce, and, above all, produce quickly, and that production programs should be coordinated to this end."<sup>1</sup> The agreement provided specifically for the production in Canada of certain defense items urgently required by the United States, including certain kinds of munitions, strategic materials such as aluminum, and ships.

The Hyde Park agreement also recognized the importance to the economies of both countries of protecting the Canadian foreign-exchange position *vis-à-vis* the United States. Had Canada continued to buy in the United States raw materials to be processed and sent on to Great Britain for use in the war, the Canadian dollar-exchange position would have deteriorated very rapidly. The agreement therefore stated that, so far as Canadian defense purchases in the United States consisted of component parts to be used in equipment

and munitions to be shipped to Great Britain, such purchases should be made by the British Government under the lend-lease program and shipped to Canada for processing. At the same time the use of Canada's existing and potential capacity for filling American orders for ships, aluminum, other materials, and certain munitions, was expected to give Canada dollar exchange of 200 million dollars or 300 million dollars during the following year with which to finance its own defense purchases in the United States.

The implementation of the Hyde Park agreement during the war resulted in an unprecedented coordination of the economies of the United States and Canada—in the pooling of supplies, in the development of complementary industrial plants and agricultural programs, and in the almost complete erasure of national boundaries for certain purposes. This extraordinary cooperative effort in the economic field contributed materially to the successful conclusion of the war.

The economic agreement announced at Hyde Park has never been specifically terminated by the Governments of Canada and the United States, and certain cooperative economic measures continue. With the gradual abolition of wartime economic controls in both countries, however, the governmental machinery for fully coordinated action has been largely dissolved and Canadian-American economic relations have been returning gradually to a peacetime basis.

<sup>1</sup> BULLETIN of Apr. 26, 1941, p. 494.

## **The Joint Committees and Combined Boards**

The Hyde Park agreement provided for the subsequent working out of technical details by officials of the two Governments concerned, and the success of the agreement depended upon the methods devised for implementing it. As Canadian-American economic cooperation at the operating level became closer, there grew up a complex of joint committees and combined boards which put the principles of the agreement into practice. The most important of the joint committees, on which the United States and Canada alone had representation, were the Material Coordinating Committee, the Joint Economic Committees, and the Joint War Production Committee. The two Governments also established, however, a Joint Agricultural Committee in March 1943 and a Joint War Aid Committee later the same year. In addition, Canada was invited to participate in the Combined Production and Resources Board (November 1942) and the Combined Food Board (October 1943), both of which had originally been established as Anglo-American bodies.

### **The Material Coordinating Committee**

The first of the joint committees to be established was the Material Coordinating Committee, the creation of which was announced in the United States on May 14, 1941, by the Office of Production Management. Its primary purpose was to facilitate the exchange of information relating to supplies of strategic raw materials between Canadian and American officials in order to assist them in planning defense programs. The Committee also served as a liaison agency through which the Canadian Government was indirectly linked to the Combined Raw Materials Board, on which the American member of the Material Coordinating Committee spoke for Canada although only the United States and Great Britain were directly represented.

### **The Joint Economic Committees**

The creation of the Joint Economic Committees was announced on June 17, 1941. The function of these Committees, which were strictly advisory, was to study the possibilities of "effecting a more economic, more efficient, and more coordinated

utilization of the combined resources of the two countries in the production of defense requirements"<sup>2</sup> in fields where this was not already being done. The Committees were also to study and report on the possibilities of reducing probable postwar economic dislocations.

The advisory resolutions of the Committees, many of which were the basis of cooperative action by operating agencies of the two Governments, dealt with such diverse subjects as export control, shipping, production, freedom of travel, the necessity for supporting Canadian gold mining in order to assist the Canadian exchange position, postwar international economic collaboration, border movement of labor and machines, expanded agricultural production, and the potato trade. The Committees also discussed, without making formal recommendations, many other outstanding economic problems in the field of Canadian-American relations, such as Great Lakes shipping, tariffs, price control, production priorities and allocations, power and paper shortages, the Atlantic fisheries, and a North Pacific planning project. A number of these subjects will be discussed at greater length below.

On March 14, 1944, it was announced that the United States and Canada had agreed that the Joint Economic Committees should be dissolved, since their continued operation was rendered unnecessary by "the development of other agencies for coordination and exchange of views and the establishment . . . of methods of cooperation in production and the use of resources".<sup>3</sup>

### **The Joint War Production Committee**

One of the other agencies whose development was referred to was the Joint Defense Production Committee (subsequently renamed the Joint War Production Committee). This body was established on November 5, 1941, upon the recommendation of the Joint Economic Committees to coordinate the capacities of the United States and Canada for the production of defense matériel. The names of the 10 joint subcommittees of this Committee reflect the scope of the Committee's work: tank-automotive, artillery, artillery ammunition, small arms and small arms ammunition, chemicals and explosives, signal corps equipment, conservation, aircraft, naval shipbuilding, and merchant shipbuilding.

<sup>2</sup> BULLETIN of June 21, 1941, p. 747.

<sup>3</sup> BULLETIN of Mar. 18, 1944, p. 264.

Four paragraphs of a statement of war-production policy adopted by the Committee shortly after the United States entered the war merit quotation in full:

"3. Achievement of maximum volume and speed of war output requires that the production and resources of both countries should be effectively integrated and directed toward a common program of requirements for the total war effort.

"4. Each country should produce those articles in an integrated program of requirements which will result in maximum joint output of war goods in the minimum time.

"5. Scarce raw materials and goods which one country requires from the other in order to carry out the joint program of war production should be so allocated between the two countries that such materials and goods will make the maximum contribution toward the output of the most necessary articles in the shortest period of time.

"6. Legislative and administrative barriers, including tariffs, import duties, customs, and other regulations or restrictions of any character which prohibit, prevent, delay, or otherwise impede the free flow of necessary munitions and war supplies between the two countries should be suspended or otherwise eliminated for the duration of the war."<sup>4</sup>

The War Production Board in the United States and the Department of Munitions and Supply in Canada conducted their operations under this policy with very little friction, considering the magnitude of the tasks involved, and each Government, through its own particular type of control machinery—whether through export control, priorities, allocations, or other types of controls—strove to give effect to the aims of the basic policy laid down by the Committee.

#### **The Combined Production and Resources Board**

The charter of the Anglo-American Combined Production and Resources Board was altered on November 7, 1942, to include Canada as a third member. This tripartite Board, which was in existence until the end of 1945, dealt with a great many spot problems on various phases of Canadian-American economic integration, including adequacy of productive facilities, division of markets, prevention of industrial waste, and standardization of specifications and equipment. Illus-

trative of the Board's work are a recommendation against the construction of a proposed war plant in Canada on the grounds that American facilities for the production of the particular product involved were sufficient for joint needs; the recommendation of quotas to the United States and Canada for the shipment of textiles to liberated areas; and the recommendation of similar quotas for the supply of agricultural machinery for the UNRRA program. Trucks, tires, and tubes were other commodities of particular interest to the United States and Canada with which the Board dealt, not as an operating agency, but through recommendations which it made to the War Production Board in the United States and to the Department of Munitions and Supply and the Wartime Prices and Trade Board in Canada.

#### **The Combined Food Board**

On October 25, 1943, President Roosevelt and the British Prime Minister invited Canada to become a member of the Combined Food Board, and that Board was likewise expanded from an Anglo-American cooperative agency to an Anglo-American-Canadian organization.<sup>5</sup> The Combined Food Board, generally considered to have been one of the most effective agencies of wartime economic cooperation, sought—among other things—to reduce competitive bidding on foodstuffs in short supply by recommending allocations of markets and sources of supply to the War Food Administration in the United States and to its Canadian and British equivalents.

As far as Canadian-American cooperation is concerned, the principal products dealt with by the Combined Food Board were grain and flour, fish, meat, seeds, dairy products, dried beans and peas, and dried fruits. Canada was an exporter of most of these foodstuffs, but it imported dried fruits and certain kinds of seeds under allocations recommended by the Board.

This Board was replaced in June 1946 by a multilateral International Emergency Food Council, now consisting of representatives of some 30 governments, which has continued the Board's work of trying to accomplish an equitable distribution of foodstuffs in short supply. Both the United

<sup>4</sup> BULLETIN of Dec. 27, 1941, p. 579.

<sup>5</sup> Provision was also made for the participation of other countries on the Board's commodity committees.

States and Canada participate in the work of the Council and both have tried to follow the Council's recommendations, although there has not been altogether complete coordination of measures taken pursuant to those recommendations. The United States recently has again shown its readiness to cooperate with Canada in this field by directing part of American grain exports during the past crop year so as to compensate for Canadian inability, because of transportation difficulties, to maintain the schedule of grain exports called for by an Anglo-Canadian bulk-purchase agreement and by short-term agreements made by Canada with Belgium and the Netherlands.

### **Migration of Labor**

One of the important recommendations of the Joint Economic Committees in the agricultural field had to do with the movement of seasonal labor across the border between the United States and Canada. There had always been a certain amount of labor mobility, but immigration and customs regulations and the income-tax provisions of fiscal legislation had had a deterring effect. With the general shortage of manpower which developed before and during the war, however, it became desirable to encourage the seasonal movement of labor across the boundary.

The Joint Economic Committees therefore recommended on February 27, 1942, that the United States and Canada take appropriate action to facilitate the movement across the boundary, particularly of used agricultural machinery, together with the necessary operators or crews. In this specific case, it was felt that both the shortage of metals for manufacturing new machines and the shortage of agricultural labor skilled in the use of farm machinery called for measures which would facilitate the movement of both men and machines, particularly at harvesting time. The two Governments took steps to put this recommendation into effect in the spring of 1942. The arrangements which were formally made, in which the State, Agriculture, Treasury, and Justice Departments cooperated on behalf of the United States Government, were renewed for the years 1943, 1944, 1945, and 1946. A further renewal for the crop year 1947 is now under negotiation.

The movement of other types of greatly needed

seasonal labor across the common border was also encouraged by the Canadian and United States Governments, although no formal agreements were entered into regarding any categories of such labor other than the exchange of grain-harvest machinery and crews. Informal agreements were worked out, however, for the importation into the United States from Canada of both agricultural and industrial labor. Indeed the United States Congress made appropriations in 1943 and annually thereafter to assist Executive agencies of the United States Government (the War Food Administration and the War Manpower Commission during most of the period) in implementing a program of migratory labor from Canada and elsewhere. On June 30, 1946, the appropriations provided for importing industrial labor were discontinued. There are still available until the end of 1947, however, appropriations for bringing to the United States various types of agricultural labor, including workers from Canada. The principal categories of Canadian labor brought into the United States have been grain workers, potato and tomato pickers, tobacco workers, dairy-farm workers, lumbermen, maple-sugar (sugar-bush) workers, and food-processing workers. Such appropriations have been used for recruitment, transportation, medical care, and the maintenance of labor-supply centers. Their discontinuance, however, will not mean a complete cessation of migration of labor across the Canadian border; it merely reflects the passing of the pressing wartime need for such large numbers of migratory workers.

### **Complementary Agricultural Products**

On the same date that they recommended measures for greater mobility of farm-machinery crews the Joint Economic Committees recommended to the Governments of the United States and Canada arrangements "for more effective utilization of the joint agricultural resources of the two countries for the production of certain farm products needed in the war effort."<sup>6</sup> This recommendation was approved by both Governments, and on April 10, 1942, the White House announced a program for increasing the production of oats, barley, and flaxseed in Canada and of oil-bearing crops, including soybeans, in the United States.

<sup>6</sup> BULLETIN of Apr. 11, 1942, p. 313.

## Fish and Fur Seals

Fishing and sealing have always been a source of potential conflict between Americans and Canadians. With time, however, the two countries have developed machinery for dealing with controversial issues in these fields, largely through the operation of joint commissions. The International Fisheries Commission, for example, has long been dealing with questions of joint interest with respect to halibut in the North Pacific Ocean and Bering Sea. Since 1937 the International Pacific Salmon Fisheries Commission has been dealing with Canadian-American problems with a view to restoring the sockeye salmon industry in the Fraser River system. During the war both of these Commissions carried on their work, which was very important from the point of view of wartime food supply, and both are still in existence. Illustrative of their wartime work are the regulations issued annually by the International Fisheries Commission and the agreement reached<sup>7</sup> upon the recommendation of the International Pacific Salmon Fisheries Commission for the construction of fishways and other works at joint expense at Hell's Gate Canyon.

With respect to the fishing industry on the Great Lakes, the United States and Canada established an International Board of Inquiry for the Great Lakes Fisheries in 1940.<sup>8</sup> The report of this Board, submitted in 1942, was studied by the two Governments throughout the rest of the war, and on April 2, 1946, their representatives signed a convention under which an international commission having certain regulatory powers will be established to benefit both American and Canadian participants in the Great Lakes fishing industry. This convention is now before the United States Senate for its advice and consent to ratification.

With respect to fur seals, the two Governments entered into a provisional agreement for the duration of the emergency and 12 months thereafter<sup>9</sup> to prohibit pelagic sealing in defined waters of the Bering Sea and the Pacific Ocean, subject to possible exceptions made necessary by wartime emergencies. The agreement also increased the Canadian share of the sealskins taken upon the Pribilof Islands by adding to it a part of the share formerly received by Japan under the fur-seal convention of 1911.

## Tariffs

No general change in the tariff structure between the United States and Canada has taken place since the 1938 trade agreement between the two countries became effective on January 1, 1939. Since the Hyde Park agreement, however, the two Governments have agreed to a number of modifications relating to individual products. They are currently participating in negotiations at Geneva, on a multilateral basis with other nations, and it is expected that further reductions in trade barriers will be agreed upon.

With respect to tariffs it should also be noted that as an emergency measure, and in line with the policy statement of the Joint War Production Committee, already quoted, the President issued Executive Order 9177 on May 30, 1942, extending to the Secretaries of War, the Treasury, and Agriculture and to the Reconstruction Finance Corporation legal authority already vested in the Secretary of the Navy to import, free of duty, emergency purchases of war materials, including materials from Canada.

## Taxation

Three Canadian-American taxation agreements have been made since 1941. One of these<sup>10</sup> dealt solely with Provincial and municipal taxation of projects being constructed by the United States in Canada for the joint defense of the two countries. The Canadian Government agreed to intervene in any legal proceedings brought in Canada to collect Provincial or municipal taxes from the United States Government on real property owned or leased, or in respect to license fees on motor vehicles owned by the United States, and to reimburse the United States for such taxes if the courts should hold the United States liable to pay them. The Canadian Government also agreed to refund, as part of its contribution to the cost of the defense projects, the amount of municipal taxes levied on American contractors employed by the United States Government on its military projects in

<sup>7</sup> By an exchange of notes dated July 21 and Aug. 5, 1944.

<sup>8</sup> For an article by Durand Smith on the Great Lakes fisheries convention and its background, see *BULLETIN* of Apr. 13, 1947, p. 643.

<sup>9</sup> By an exchange of notes dated Dec. 8 and 19, 1942.

<sup>10</sup> Effected by an exchange of notes dated Aug. 6 and 9, 1943.

Canada, and to request the Provincial governments not to impose certain taxes upon American personnel engaged on such projects.

The other two taxation agreements mentioned dealt with the avoidance of double taxation and the prevention of fiscal evasion. The convention and protocol of March 4, 1942,<sup>11</sup> lays down provisions under which individuals and corporations are relieved from double taxation with respect to income taxes in one of two ways, either by the outright exemption of certain categories of income and profits from taxation in one or the other of the two countries or by the allowance of credit against the tax imposed in one of the countries for the tax paid the other country. The convention of June 8, 1944,<sup>12</sup> lays down similar provisions relating to Federal estate taxes in the United States and to taxes under the Dominion Succession Duty Act in Canada. Both these conventions were negotiated as part of a much broader program to reduce by international agreement with as many countries as possible double taxation to which American nationals have been subject.

#### **Civil Aviation**

When the United States entered World War II, its relations with Canada in the field of civil aviation were governed by an air-navigation agreement of July 28, 1938, and by an agreement of August 18, 1939, supplemented by an exchange of notes dated November 29 and December 2, 1940. The exchange of notes had provided that in the middle of 1942 the two Governments would meet to consider revisions of the allocation of air-transport routes to American and Canadian carriers. War conditions, however, made it impracticable to hold this meeting and on March 4, 1943, the two Governments agreed to continue until the end of the war the allocations made in 1940.

Following the International Civil Aviation Conference held in Chicago late in 1944 the United States and Canada decided to supersede these civil-aviation arrangements (except the 1938 agreement) with a new agreement for civil air transport. On February 17, 1945, therefore, they exchanged notes concluding such an agreement. Its provisions included clauses permitting non-stop transit flights and granting the right to land for

non-traffic purposes, as well as granting the traffic points listed below. They also included measures designed to prevent discriminatory practices and to insure equality of treatment, and specified the routes which could be serviced by American and Canadian carriers respectively.

Under the 1945 allocation, United States carriers could service the following routes: Boston to Moncton, Boston to Montreal, New York or Boston to Quebec, New York to Montreal and Ottawa (but not both on the same flight), Washington to Montreal and Ottawa (but not both on the same flight), Buffalo to Toronto, Fargo to Winnipeg, Great Falls to Lethbridge, Seattle to Vancouver, Seattle to Whitehorse, Fairbanks to Whitehorse, and a stop at Windsor permitted for any American airline serving Detroit. Canadian airlines were allocated the following routes: Halifax to Boston, Toronto to New York, Toronto to Cleveland, Toronto to Chicago (with a stop at Windsor prohibited), Port Arthur to Duluth, Victoria to Seattle, Whitehorse to Fairbanks, and a stop at Detroit permitted for any Canadian carriers serving Windsor.

These routes were recently revised by an exchange of notes dated April 10 and 12, 1947, which liberalized the provisions previously in force. As far as United States carriers are concerned, the routes allocated remain the same, but Montreal and Ottawa can now be serviced on the same flights from New York or Washington, so long as no Canadian cabotage rights are exercised. The restriction on stops at Windsor on the Toronto-Chicago run of Canadian carriers was likewise removed, and the Canadian carrier operating the service between Winnipeg and Toronto was given permission to stop at Sault Ste. Marie, Michigan, and to pick up and set down traffic there.

In addition to the cooperative allocation of air-transport routes, the Canadian and United States Governments are currently cooperating on two other matters affecting civil aviation. On March 4 of this year it was announced in the Canadian House of Commons that the United States was assisting the Canadian Government in the establishment of nine Arctic weather stations, two of which are expected to be in operation this summer. The value to aviation of accurate meteorological information to be made available by these stations was specifically mentioned. It was further

<sup>11</sup> Now in effect as from Jan. 1, 1941.

<sup>12</sup> Now in effect from June 14, 1941.

announced on March 25 that the Canadian Government contemplates, with the assistance of American technical personnel and equipment, the construction of two low-frequency loran <sup>13</sup> stations in northern Canada. This type of aviation aid has shown promise in joint tests already undertaken by the United States and Canada and the Provisional International Civil Aviation Organization has recommended it as the standard aid to long-range navigation.

### **Waterways and Power**

The United States and Canada made a number of special wartime arrangements for the purpose of increasing the waterpower supply needed for wartime industrial plants. Even before the United States entered the war, two agreements <sup>14</sup> had been reached for additional diversion for power purposes, from the Niagara River above Niagara Falls, of a total of 12,500 cubic feet of water a second on the American side of the falls and of 9,000 cubic feet a second on the Canadian side. An agreement had also been reached <sup>15</sup> for the temporary raising of the level of Lake St. Francis during low-water periods so that the Canadian power company utilizing water diverted from that lake could continue to export power needed by an American aluminum plant in the State of New York. Early in 1944 <sup>16</sup> the two Governments agreed upon the terms of a reference to the Canadian-American International Joint Commission requesting an investigation and report as to the practicability and desirability of a further development of the water resources of the Columbia River basin for a number of purposes, including the efficient development of water power.<sup>17</sup>

By far the most important question relating to power and waterways now of concern to the Governments of the United States and Canada, however, is the proposed development of the Great Lakes-St. Lawrence basin. Proposals for such development have been under consideration for many years, but no complete agreement has yet been effected. In 1936 negotiations had been reopened, and in 1940, when the need for additional power became urgent and the desirability of inland shipbuilding became apparent, President Roosevelt appointed a St. Lawrence Advisory Committee. This Committee and its Canadian counter-

part, the Temporary Great Lakes-St. Lawrence Basin Committee, submitted a joint report on January 3, 1941. Using this report, the Executive branches of the two Governments negotiated an agreement for the utilization of the water in the Great Lakes-St. Lawrence basin, which was signed on March 19, 1941. Implementation of this document still awaits legislative approval.

Recently the two Governments have considered the possibility of imposing tolls to make the construction project proposed in this agreement self-liquidating. No objection has been made by the Executive branch of either Government to this method of decreasing the cost of the project to the two Governments, and legislation, supported by the Department of State, was introduced in both houses of the United States Congress on May 9 of this year to authorize the construction, on a self-liquidating basis, of the combined hydroelectric and navigation project contemplated by the agreement. If this legislation is passed, and if similar authorization is given by the Canadian Government, large power-generating units will be built in the International Rapids Section of the St. Lawrence River, and the contemplated 27-foot channel between the mouth of the St. Lawrence and the head of the Great Lakes will give a large amount of ocean shipping access to inland ports of both Canada and the United States.

### **Economic Aspects of Military Projects**

No consideration of Canadian-American cooperation during World War II and since should omit brief mention of the future peacetime implications to the United States and Canada of their coopera-

<sup>13</sup> Long-range radar aid to navigation.

<sup>14</sup> Dated May 20 and Oct. 27, 1941, respectively.

<sup>15</sup> On Nov. 10, 1941; renewed by exchanges of notes dated Oct. 5 and 9, 1942, Oct. 5 and 9, 1943, and Aug. 31 and Sept. 7, 1944.

<sup>16</sup> By an exchange of notes dated Feb. 25 and Mar. 3, 1944.

<sup>17</sup> In considering the practicability and desirability of further developing the upper Columbia River basin the International Joint Commission was to have in mind not only water power but also domestic water supply and sanitation, navigation, flood control, irrigation needs, reclamation of wet lands, and conservation of fish and wildlife. This reference is illustrative of the scope of the problems dealt with by the Commission, which, since its establishment under the terms of the treaty of Jan. 11, 1909, with Great Britain, has in many ways served as a model in the field of international cooperation.



tion on two important wartime military projects.

The Canadian part of the Alaska Highway, constructed as a wartime measure, has now become an integral part of the Canadian highway system. It is understood, however,<sup>18</sup> that the part of the highway lying in Canada, and the Canadian highways leading from the United States border to the southern terminus of the Alaska Highway, will always be open to American traffic on the same terms as to Canadian traffic, and that the Canadian Government will "waive import duties, transit or similar charges on shipments originating in the United States and to be transported over the highway to Alaska, or originating in Alaska and to be transported over the highway to the United States."<sup>19</sup> How much normal traffic will eventually travel over this highway is not yet known, but the Canadian authorities at Edmonton, Alberta, now issue an average of 600 permits a month for northbound travel on the highway,<sup>20</sup> and, as the Alaska Highway is the only land link connecting the continental United States with Alaska, it is potentially very important.

Far more important for its implications for the future economy of the United States and Canada was the cooperative development of atomic energy during the war. So far the application of this wartime development to peacetime industry and commerce is a thing of the future, but since Canada has some of the supplies of raw materials needed for atomic development and since the United States has great productive capacity, which was developed for war needs, Canadian-American cooperation is a logical path for future developments to pursue.

<sup>18</sup> Under the terms of an exchange of notes dated Mar. 17 and 18, 1942, supplemented by an exchange of notes dated Apr. 10, 1943.

<sup>19</sup> BULLETIN of Mar. 21, 1942, p. 238.

<sup>20</sup> The Canadian authorities require permits for travel on the Alaska Highway to insure that vehicles are "road-worthy" and that travelers are able to meet emergencies themselves, since little assistance in matters of food, shelter, or automotive repairs can be found along long stretches of the highway.

<sup>21</sup> This agreement, effected by an exchange of notes dated Nov. 30, 1942, contains language almost identical with that included in article VII of the mutual-aid agreements. Canada, although it did not receive lend-lease from the United States, made in this agreement the same commitments concerning postwar economic relations which other nations made in connection with receiving lend-lease.

## Canadian and American Participation in International Economic Agencies

Canadian-American economic cooperation during the war and since has been by no means limited to the bilateral measures discussed above. Both the Canadian and United States Governments took very active parts during the war in planning the organizational framework of postwar international cooperation. Both Governments likewise participated in emergency international organizations established during the war, including in the economic field the United Nations Relief and Rehabilitation Administration, the United Nations Interim Commission on Food and Agriculture, and the Provisional International Civil Aviation Organization, the seat of which was located in Canada. Permanent international economic agencies in which both Canada and the United States participate include the International Bank for Reconstruction and Development, the International Monetary Fund, the Food and Agriculture Organization of the United Nations, the International Civil Aviation Organization, and the International Labor Organization, in addition to the Economic and Social Council of the United Nations. Still in the process of evolution, with Canadian and American support, is an International Trade Organization.

The Canadian and United States Delegations to all these international organizations do not always agree, of course, on the manifold and complex problems with which the organizations deal. There have been frequent differences of opinion. The two Governments, however, have a similar basic approach to many of the problems of international economics and, having worked so closely together on matters of bilateral interest, they find it comparatively easy to cooperate in the multilateral sphere.

Indeed, as early as November 30, 1942, the United States and Canada reached an agreement<sup>21</sup> that looked forward to expanding their bilateral cooperation into world cooperation. Officers of the two Governments recorded this agreement in the following terms:

"They are in agreement that post-war settlements must be such as to promote mutually advan-

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## THE ECONOMICS OF PEACE IN THE "INTERIM PERIOD"

*by George C. McGhee*

Aside from the appalling human and social wreckage which it created, the war left much of the world in a desperate economic situation. The United States now faces the necessity of taking a role of leadership in restoring the world to some semblance of normalcy. We have inherited grave responsibilities both in political and in economic matters, which are in themselves so tightly bound together that we cannot separate them.

Most Americans would undoubtedly like to withdraw from the rest of the world, enjoy the fruits of their own favored economic system, and live out their own lives. But it simply can't be done. We cannot escape our responsibilities in the one world of today.

Why are we, for example, being unified into effective action by distant happenings in Greece? Few of us know much about modern Greece. Her people, customs, and government are different from ours. Yet Greece is in trouble and the American people have decided to go to her aid with American goods and skilled American technicians. We Americans have honest humanitarian impulses; we are capable of great generosity. But these are not the only motives which impel us to spend so many millions of dollars for Greece.

Greece's troubles are typical of those that exist in many countries of the world today. Greece has been invaded by brutal and destructive enemies. Her industrial plant has been largely destroyed. Her agriculture has been retarded by loss of manpower and horsepower, deterioration of soil, and loss of seed crops, eaten by starving people instead of being planted. Even before the war Greece was not a prosperous country. Her living standards and the economic opportunities for her people were low. The postwar period has brought her poverty, starvation, and—as a natural accompaniment—political disorders which have led to the present efforts of an armed minority, inspired from abroad, to take over the government.

But why are our own national interests affected by the troubles of Greece? The answer is that the economic and political evils which attack any nation in the world are today as infectious as disease germs and take as little account of political borders. If left unchecked, trouble in other countries will surely spread to the United States.

Back in the early 1930's our own economic difficulties deeply affected most other countries. We have been involved in two world wars, both of which started thousands of miles away from us. In both wars we were able to keep the actual shooting away from our country. We now face a similar problem in keeping the economic and political ills of the postwar world away from our own land.

We are shareholders in a corporation—the world—and we can't sell out. This world corporation has a long history showing capacity to produce and make profits, but just now it has lost much of that capacity—in operating capital, manpower, and plant. The United States, as a shareholder, is in a position to advance working capital and help reconstruct plants so the corporation may get back on its feet. We are doing that very thing in Greece and elsewhere throughout the world.

Why are we doing it? Because if the world does not recover, it will eventually be drawn into economic and political bankruptcy, and we into quarrels with our fellow stockholders. Between nations as between individuals, bad trade relations give rise to retaliations which result in decreased world production and lower living standards. This in turn breeds political unrest and the desire for aggression against other more prosperous peoples.

While it cannot be said that a healthy world economy will in itself prevent war, it is certainly true that friendly and profitable trade relations tend to prevent friction that often leads to war. It is toward the achievement of such relations that the economic foreign policy of the United States

is directed. Our policy is framed with the over-all economic well-being of the United States as its first objective. It is not a give-away policy, and it is not aimed at achieving domination over other countries. But it recognizes that Americans cannot continue their high living standards unless the rest of the world is reasonably prosperous.

General expansion of world trade and production is one of the immediate goals of our economic foreign policy. This expansion will result in more goods available, more employment, and higher living standards both here and abroad. World trade enables each individual to produce those things which he is best able to produce. This is different for different persons and different countries, just as some farms—and some farmers—are better fitted to produce fruit than cotton or tobacco. Maximum production is possible only when people can produce what they can produce best and can trade their products freely and fairly—either across the county line or across a national boundary.

The United States must have foreign markets for many of its principal farm and factory products. It is true that of our total national production, less than 10 percent is usually sold directly in foreign markets. But the percentage is much greater for many important agricultural and industrial enterprises.

It is not just the American producer of something actually sold in a foreign market who benefits from American export business. The people who have jobs either producing or handling these goods become paying customers in the home market for all American goods. The man who has a job in an automobile factory in Detroit, for example, buys overalls and shirts made of Southern cotton, and smokes cigarettes made of Southern tobacco. If exports of American automobiles were shut off—as they were in the early 1930's—cotton and tobacco would pile up again in unsaleable surpluses.

That is the export side. The import side is equally or more important to Americans. Our industries must have essential raw materials from abroad, including certain vital ores. There is a long list of critical and strategic minerals and metals not found in this country, or available in inadequate quantities, which are necessary in our manufacture of steel alloys and other products. Such needs have been intensified during the war by

the great expansion of our industrial production. If our industries are to maintain the present production levels, we shall continue to need far greater imports than before the war.

Furthermore, under the necessity to speed up our war production, we are using up certain vital natural resources which we used to take for granted. Our own supplies of lead, zinc, copper, and petroleum are already short of our needs. From being a "have" nation we are rapidly becoming, in certain commodities, a "have-not" nation. Whereas we once exported copper we must now import 200 million dollars' worth a year from Chile and other sources.

There are many things which come only from abroad which we use every day in our homes: coffee, bananas, tea, silk, and so forth. In addition there are many other goods, including many luxuries such as fine fabrics, perfumes, high-quality leather and textile goods, which we can obtain to better advantage from abroad.

American consumers need and want these things from abroad, and they also need jobs in order to pay for them. Millions of Americans have jobs producing crops and manufactured goods for export. It is almost wholly through our imports of foreign goods that other countries can pay for the things we want to sell them, or repay the loans which we have made them.

Another major objective of our economic foreign policy is to get rid of discriminations in international commerce. These discriminations—preferential tariff rates, bilateral and exclusive deals between nations, import licensing and exchange-control devices, and others—hold down total world trade and cause resentment and retaliation between nations.

Still a third important purpose of our economic foreign policy is to preserve, in this country at least, the principles of private enterprise and free competition upon which the American economy was developed. Since World War I, many foreign governments have followed an increasing tendency toward governmental regulation of their commerce, especially their trade with other countries. Some governments are not only strictly controlling their foreign trade but are actually conducting it.

Americans believe, however, from their own experience, that commerce will reach maximum

levels and be carried on more efficiently in the hands of experienced private traders. Successful private traders have a wealth of detailed knowledge gained by actual trading over many years. They know the intricacies of consumer demand, seasonal fluctuations, and the vagaries of the markets in which they buy. They can make prompt decisions. They can take risks when risks are justified. Foreign trade, especially, demands the freedom of action which it can have only in the hands of private citizens, not governments.

The United States Government has already organized and launched a number of measures, both independently and in cooperation with other countries, for accomplishing its international economic objectives. It has taken the lead in this effort because, as the strongest economic power in the world, it is the only country able to undertake the job, and because it has a very great deal at stake.

The United States was the leading participant in setting up the International Bank for Reconstruction and Development and the International Monetary Fund under the Bretton Woods agreements. The Bank was created as the agency through which national governments would cooperate in providing private or government capital to help war-devastated countries restore their economies. It was also created to assist undeveloped countries build up their industries so as to use their manpower and natural resources efficiently. It will provide some of the working capital needed to get a bankrupt world off dead center.

During the period since the war, the United States Government has, furthermore, taken extensive action of its own to accomplish purposes similar to those of the international bodies which I have mentioned. Very large direct loans and credits have been extended, such as the three and three-quarter billion dollar loan to the United Kingdom, and loans to France, Italy, Czechoslovakia, and others. Total relief given during this period—for which repayment is not asked—amounts to three billion dollars.

The world cannot, however, live forever on artificial injections of loans and relief grants. A rebuilt world plant will be able to stand once more on its own feet only if a large and steady flow of international trade is resumed. Trade is the life blood of a healthy world economy.

Representatives of this Government, led by Under Secretary Clayton, who himself was once one of this country's greatest traders, are meeting now in Geneva, Switzerland, with representatives of 17 other trading countries. These countries ordinarily carry on, among them, some two thirds of the world's international commerce. This is the first attempt, on such a large scale, to seek the solution of common trade problems through international consultation and cooperation.

The Geneva meeting has two purposes. One is to negotiate reciprocally for reductions in governmental barriers to international trade and the elimination of discriminations in trade. The other is to write a code of fair conduct in international trade—a charter for a proposed permanent International Trade Organization.

Governmental trade restrictions and discriminations are a major factor in holding down world trade. They are important sources of international irritation and ill will. No one nation, however, is willing or even able to abandon its use of such measures unless the nations with which it trades will do the same thing. At Geneva the countries are bargaining, each offering reductions in its tariff quotas or other barriers, in return for reductions by other countries.

The chain of events leading up to the Geneva meeting goes back to 1934 when the Congress passed the Trade Agreements Act and the United States Government launched the Hull reciprocal trade-agreements program, so called because of Secretary of State Cordell Hull's sponsorship and initial administration of the program. The act authorizes the President to negotiate trade agreements with foreign countries and to modify United States tariffs and other import restrictions, in order to make the agreements effective. This authority was granted for a period of three years and has been renewed four times. The most recent renewal was in 1945, when Congress not only extended but increased the authority of the President to reduce tariffs in trade agreements.

Because the United States relies chiefly on its tariff system for control of imports, the chief bargaining stock of the American Delegation is the lowering of American tariffs. In return, we are asking the other countries to relax their restrictions and trade discriminations, most of which operate to the disadvantage of our traders.

If we obtain in Geneva some of the objectives for which we are bargaining, private traders in the United States will be able to carry on their business with people in other countries with a minimum of assistance from this Government. If not, this Government may ultimately be forced to assist American traders by bargaining with other governments for entry of things which we want to sell abroad and for the right to purchase things which we want to buy. Inevitably, this means increased governmental control of American foreign commerce.

The second and closely related part of the job at Geneva is to draft a charter for an International Trade Organization. The draft now being considered there requires that each nation becoming a member of the organization shall negotiate with the other member for reduction of trade barriers and abolition of discriminations, as the nations now at Geneva are doing.

The charter will cover other matters as well. One is an undertaking by each member to take all practicable steps to maintain full employment and buying power in its own economy, by methods which will not injure other members. Another is agreement to consult with and assist other members in their industrial and economic advancement. Still another is agreement to limit and regulate the use of subsidies, quotas, cartels, and other obstacles and discriminations in trade.

A major purpose of the charter is to provide for consultation among members on trade matters and the cooperative settlement of trade problems. The trade organization will not be a policing organization. It will not undertake to regulate or dictate to members on trade matters. Its effectiveness will rest primarily on the good faith of the member nations in carrying out their agreement and on the mutual trade advantages which they will obtain through their membership in the organization.

The meeting at Geneva opened on April 10, and it is not yet possible to report in detail what has so far been accomplished on a project of such scope and technical complexity. Work on the reciprocal trade agreements and on the drafting of the charter is proceeding simultaneously. There is no denying the fact, however, that there remain difficult problems to be solved in Geneva. Possibly the greatest of these is the plain fact that foreign

countries do not have enough United States dollars to buy all the American products they need and that we could sell them. This limits those countries in the immediate concessions which they can offer us. Our 1947 exports, it is estimated, will total 16 billion dollars and our imports only 8 billion. The rest of the world just can't dig up the additional 8 billion dollars.

The ultimate solution of this problem, pointed out by Mr. Clayton early in the Geneva conference, is for the United States to increase its imports of goods and services which we want and need from the rest of the world, which will permit their production to increase. "Certainly," Mr. Clayton said, "we don't want to try to solve the problem by cutting down our exports—which would mean cutting down our own production and employment."

Our own delegation, furthermore, faces difficulties in offering tariff concessions on some important commodities—such as wool, sugar, or winter vegetables—because American producers fear the effects of increased imports. These products constitute key exports of other countries represented at Geneva.

When the work of the Preparatory Committee at Geneva is completed, the draft charter will be presented for consideration by an International Conference on Trade and Employment, which the Economic and Social Council of the United Nations expects to call in late 1947. It is hoped that 50 or more of the United Nations, and others, will attend that conference and adopt the charter, which will thereafter be presented to the different governments represented and to the Congress of the United States for approval. If everything goes smoothly the International Trade Organization should be set up and at work by the end of 1948.

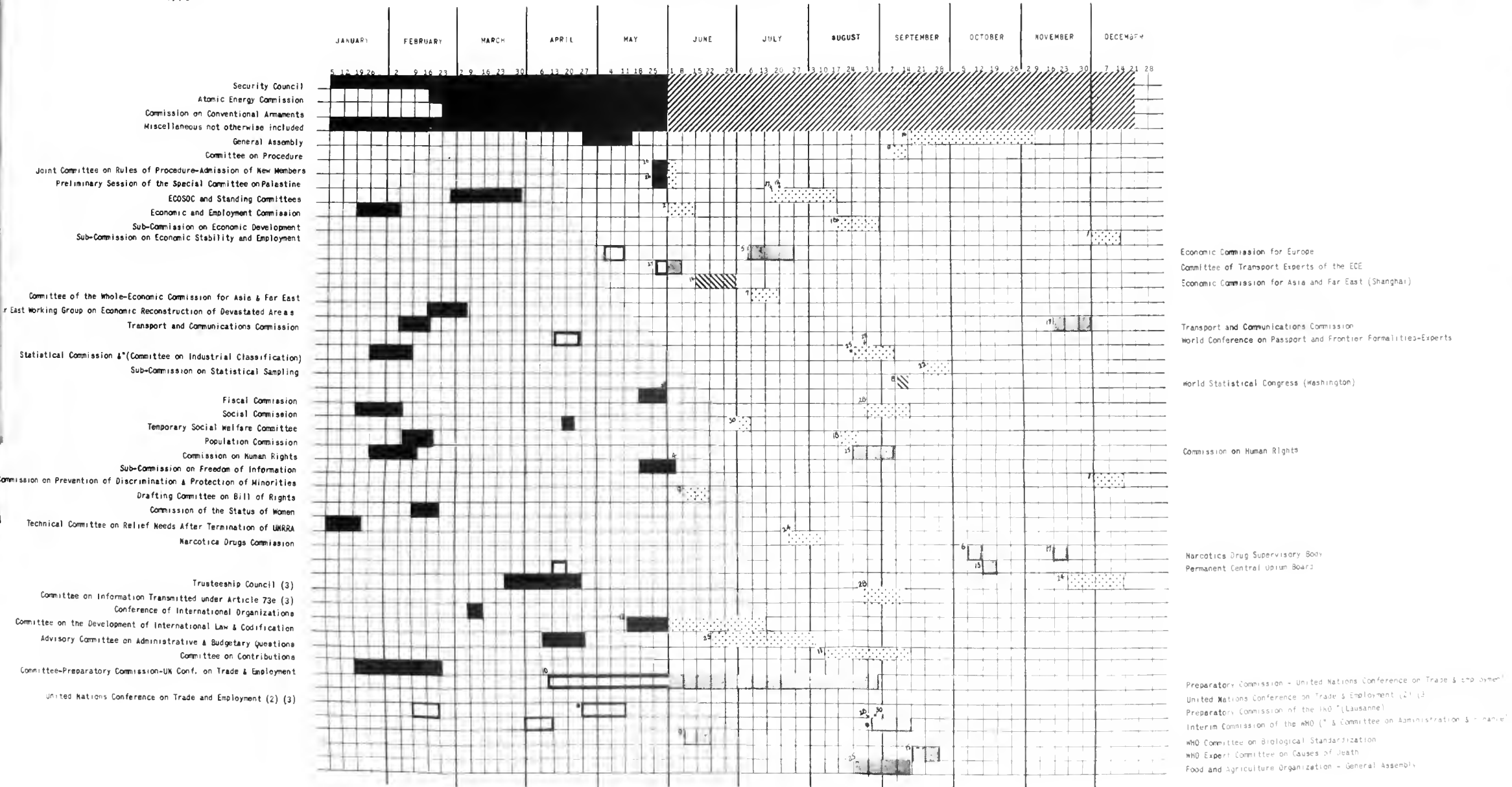
The completion of the galaxy of international economic institutions will not, however, in itself assure an early solution to all of the world's economic problems. These institutions can succeed only to the extent that the principles upon which they are based are sound, and are accepted in good faith by the nations of the world. Until a more healthy world economy is attained, moreover, it will be difficult for the best-intentioned nations to abandon national solutions to their economic problems, even for principles which they sincerely

# UNITED NATIONS CONFERENCES 1947

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 □ GENEVA

SCHEDULED TO BE HELD IN GENEVA  
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accept as offering the only ultimate solution to these problems.

This is why experts working in the international economic field have recognized that there would be what they have called an "interim period", between the end of the emergency measures taken immediately following the war and the time when the international institutions would be functioning fully and effectively. During this period it was expected that many nations would be forced to adopt short-range expedients, sometimes at variance with ultimate objectives.

The discussions at Geneva assume that there will be such an "interim period", how long no one quite knows, before all nations can abandon their wartime restrictions and rely on multilateral world trade and the free exchange of currencies. We are not, ourselves, beyond reproach in such matters. At this time our own State Department is asking the Congress to extend certain of our own wartime economic controls which we need a little longer. Actually the "interim period" is lasting longer than we thought, and while this period lasts we must be patient with those nations whose recovery has lagged behind our own, and must help them where we can along their difficult path to recovery.

Dean Acheson, Under Secretary of State, recognized clearly our continued responsibility during the "interim period" in his speech before the Delta Council on May 8, when he said, "The facts of international life also mean that the United States is going to have to undertake further emergency financing of foreign purchases if foreign countries are to continue to buy in 1948 and 1949 the commodities which they need to sustain life and at the same time rebuild their economies."<sup>1</sup> He recognized that existing national and international institutions were not in a position to handle these needs, which will require further financing on our part beyond existing authorizations.

Our programs of aid to Greece and Turkey illustrate well the realities of the "interim period." It is clear that the problems of neither country can be taken care of by existing United Nations machinery. The problem is urgent. If we want to preserve the independence of Greece and restore her economy we must act now. Only we are in a position to act.

This is why our Government plans to make available under the Greek program 50 millions of dollars for dollar reconstruction costs, even though we hope that funds for such purposes ultimately can be provided by the International Bank. This is why we plan to spend 20 millions of dollars on agricultural rehabilitation in Greece. The Food and Agriculture Organization was not set up to do this sort of job. This is why we must resume United States Government procurement of many of the requirements for the Greek and Turkish programs at the same time we are seeking to terminate the activities of other Government purchasing commissions in our country. This is why we are asking the Greeks to establish import controls and exchange restrictions at the same time we are negotiating for general removal of restrictions at Geneva.

The recognition of an "interim period" does not represent any lack of faith in the United Nations or its institutions. It does not mean that we do not have full confidence that these institutions will ultimately succeed. It means that until they do we must continue to meet from day to day our national responsibilities.

We must not be doctrinaire. We must be effective. We must not rely on tomorrow's solutions for today's problems. To do so would really mean embracing a new form of isolationism. We must keep our eyes on the stars but our feet on the ground.

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<sup>1</sup> BULLETIN of May 18, 1947, p. 991.

# THE UNITED NATIONS

## Current United Nations Documents: A Selected Bibliography

There will be listed periodically in the BULLETIN a selection of United Nations documents which may be of interest to readers.

Printed materials may be secured in the United States from the International Documents Service, Columbia University Press, 2060 Broadway, New York City. Other materials (mimeographed or processed documents) may be consulted at certain designated libraries in the United States.

### Economic and Social Council

Economic and Employment Commission. Activities of the United Nations Secretariat Arising Out of Recommendations of the Economic and Employment Commission and Resolutions of the Economic and Social Council. (A Note Prepared by the Secretariat . . .) E/CN.I/33, May 26, 1947. 17 pp. mimeo.

Commission on Human Rights. Sub-Commission on Freedom of Information and of the Press. Textual Comparison of Draft Agenda for the Conference on Freedom of Information. (Prepared by the Secretariat.) E/CN.4/Sub.I/22, May 21, 1947. 9 pp. mimeo.

Cumulative List of Documents Issued for the Third Session of the Economic and Social Council. E/244, Oct. 30, 1946. 25 pp. mimeo. Also, Addendum to Cumulative List. . . . E/244/Add.1, May 27, 1947. 3 pp. mimeo.

Fiscal Commission. Report to the Economic and Social Council on the Work of the First Session of the Commission by Dr. A. R. F. Mackay, Representative for New Zealand, General Rapporteur. E/440, May 29, 1947. 9 pp. mimeo.

Commission on Human Rights. Drafting Committee. Memorandum on Historical Background of the Committee. E/CN.4/AC.1/2, May 29, 1947. 7 pp. mimeo.

Report of the Sub-Commission on Freedom of Information and of the Press to the Economic and Social Council and to the Commission on Human Rights. E/441, June 5, 1947. 18 pp. mimeo.

Draft Agreement Between the Food and Agriculture Organization of the United Nations and the International Labour Organization. E/442, June 6, 1947. 9 pp. mimeo.

Membership of the Sub-Commission on Prevention of Discrimination and Protection of Minorities. E/443, June 10, 1947. 4 pp. mimeo.

Economic and Employment Commission. Second Session. Memorandum on International Action To Maintain World Full Employment and Economic Stability Sub-

mitted by the Representative of the United States. E/CN.I/36, June 3, 1947. 5 pp. mimeo.

— Memorandum on Reports on World Economic Conditions and Trends Submitted by the Representative of the United States. E/CN.I/37, June 5, 1947. 6 pp. mimeo.

Commission on Human Rights. Drafting Committee. Draft Outline of International Bill of Rights. E/CN.4/AC.1/3, June 4, 1947. 17 pp. mimeo.

— United States Suggestions for Redrafts of Certain Articles in the Draft Outline. E/CN.4/AC.1/8, June 11, 1947. 7 pp. mimeo.

— International Bill of Rights. Resolution Adopted by the Economic and Social Council on 24 March 1947. E/CN.4/AC.1/9, June 11, 1947. 13 pp. mimeo.

— Sub-Commission on Freedom of Information and of the Press. Texts of Statements made at 21st Meeting . . . E/CN.4/Sub.1/32, June 9, 1947. 28 pp. mimeo.

Economic and Social Council. Fourth Session, 28 February to 29 March 1947. Disposition of Agenda Items and Check List of Documents of the Council, Its Committees and Sub-committees. Prepared by the Documents Index Unit. E/INF/13, May 26, 1947. 46 pp. mimeo.

### General Assembly

Statement by the Representative of Poland Before the Fourth Meeting of the Committee on Progressive Development and Codification of International Law, 15 May 1947. A/AC.10/19, May 15, 1947. 7 pp. mimeo.

Methods for Enlisting the Co-operation of Other Bodies, National and International, Concerned With International Law. A/AC.10/22, May 16, 1947. 22 pp. mimeo.

Committee for the Progressive Development of International Law and Its Codification. Statement by the Representative of the Netherlands Before the Fourth Meeting of the Committee, 15 May 1947. A/AC.10/23, May 16, 1947. 5 pp. mimeo.

## Confirmation to the United Nations

The Senate on June 10, 1947, confirmed the nomination of Monnett B. Davis to be the Representative of the United States of America on the Economic Commission for Asia and the Far East established by the Economic and Social Council of the United Nations on March 28, 1947.



# INTERNATIONAL ORGANIZATIONS AND CONFERENCES

## Calendar of Meetings<sup>1</sup>

<b>Session as of June 15, 1947</b>		<b>1946</b>
Far Eastern Commission . . . . .	Washington . . . . .	Feb. 26
United Nations:		
Security Council . . . . .	Lake Success . . . . .	Mar. 25
Military Staff Committee . . . . .	Lake Success . . . . .	Mar. 25
Commission on Atomic Energy . . . . .	Lake Success . . . . .	June 14
		<b>1947</b>
Commission on Conventional Armaments . . . . .	Lake Success . . . . .	Mar. 24
Committee on Progressive Development and Codification of International Law.	Lake Success . . . . .	May 12-June 17
ECOSOC (Economic and Social Council):		
Economic and Employment Commission: Second Session . . .	Lake Success . . . . .	June 2-June 17
Human Rights Drafting Committee . . . . .	Lake Success . . . . .	June 9
		<b>1946</b>
Inter-Allied Trade Board for Japan . . . . .	Washington . . . . .	Oct. 24
German External Property Negotiations (Safehaven):		
With Portugal . . . . .	Lisbon . . . . .	Sept. 3
With Spain . . . . .	Madrid . . . . .	Nov. 12
		<b>1947</b>
With Turkey . . . . .	Ankara . . . . .	May 29 <sup>2</sup>
International Conference on Trade and Employment: Second Meeting of the Preparatory Committee.	Geneva . . . . .	Apr. 10
Congress of the Universal Postal Union . . . . .	Paris . . . . .	May 7
Council of Foreign Ministers: Commission To Examine Disagreed Questions of the Austrian Treaty.	Vienna . . . . .	May 12
FAO (Food and Agriculture Organization): Rice Study Group . . .	Trivandrum, Travancore, India.	May 15-June 6
International Radio Conference . . . . .	Atlantic City . . . . .	May 15
ILO (International Labor Organization): 102d Session of the Governing Body.	Geneva . . . . .	June 13-17
<b>Scheduled for June-August 1947</b>		
United Nations:		
Economic Commission for Asia and the Far East:		
First Session . . . . .	Shanghai . . . . .	June 16
Committee of the Whole . . . . .	Lake Success . . . . .	July 7
Economic Commission for Europe: Second Session . . . . .	Geneva . . . . .	July 5
ECOSOC (Economic and Social Council):		
Fifth Session . . . . .	Lake Success . . . . .	July 19
Narcotic Drugs Commission: Second Session . . . . .	Lake Success . . . . .	July 24
Subcommission on Economic Development . . . . .	Lake Success . . . . .	Aug. 18 <sup>2</sup>
Population Commission: Second Session . . . . .	Lake Success . . . . .	Aug. 18 <sup>2</sup>

<sup>1</sup> Prepared in the Division of International Conferences, Department of State.

<sup>2</sup> Tentative.

*Calendar of Meetings—Continued*

		<b>1947</b>
United Nations: ECOSOC—Continued		
Human Rights Commission: Second Session . . . . .	Geneva . . . . .	Aug. 25 <sup>2</sup>
Statistical Commission: Second Session . . . . .	Lake Success . . . . .	Aug. 28 <sup>2</sup>
Social Commission: Second Session . . . . .	Lake Success . . . . .	Aug. 28 <sup>2</sup>
Permanent Central Opium Board . . . . .	Geneva . . . . .	Aug. 25 <sup>2</sup>
Committee on Information From Non-Self-Governing Territories .	Lake Success . . . . .	Aug. 28 <sup>2</sup>
ECITO (European Central Inland Transport Organization): Seventh Session of the Council (Second Part).	Paris . . . . .	June 17
ICAO (International Civil Aviation Organization):		
South American Regional Air Navigation Meeting . . . . .	Lima . . . . .	June 17
South Atlantic Regional Air Navigation Meeting . . . . .	Rio de Janeiro . . . . .	July 15
Aerodromes, Air Routes, and Ground Aids Division . . . . .	Montreal . . . . .	Aug. 19
ILO (International Labor Organization):		
30th Session of the International Labor Conference . . . . .	Geneva . . . . .	June 19
Permanent Agricultural Committee . . . . .	Geneva . . . . .	July
Sixth International Conference of Labor Statisticians . . . . .	Montreal . . . . .	Aug. 4
Industrial Committee on Iron and Steel Production . . . . .	Stockholm . . . . .	Aug. 19
"Journées Médicales de Bruxelles", 21st Session . . . . .	Brussels . . . . .	June 21–25
Caribbean Commission: Fourth Meeting . . . . .	Jamaica . . . . .	June 23–28
International Sugar Council . . . . .	London . . . . .	June 24
International Congress of River Transportation . . . . .	Paris . . . . .	June 26–28
IARA (Inter-Allied Reparation Agency): Meeting on Conflicting Custodial Claims.	Brussels . . . . .	June <sup>2</sup>
International Telecommunications Plenipotentiary Conference . . .	Atlantic City . . . . .	July 1
International Council of Scientific Unions: Executive Committee . .	Paris . . . . .	July 1–2
International Rubber Study Group . . . . .	Paris . . . . .	July 1–10
Special Cereals Conference . . . . .	Paris . . . . .	July 9
IRO (International Refugee Organization): Third Part of First Session of the Preparatory Commission.	Lausanne . . . . .	July 15
Fourth International Congress on Microbiology . . . . .	Copenhagen . . . . .	July 20–26
Seventh International Congress of Administrative Sciences . . . . .	Bern . . . . .	July 23–30
UNESCO (United Nations Educational, Scientific and Cultural Organization): Executive Board.	Paris . . . . .	July 24
FAO (Food and Agriculture Organization):		
Panel on Soil Erosion Control . . . . .	Washington . . . . .	July
Meeting of Specialists on the Control of Infestation of Stored Food Products.	London . . . . .	Aug. 6
Executive Committee . . . . .	Geneva . . . . .	Aug. 21
Annual Conference: Third Session . . . . .	Geneva . . . . .	Aug. 25
International Meteorological Organization: Meeting of Technical Commissions.	Toronto . . . . .	Aug. 4–Sept. 13
WHO (World Health Organization):		
Committee on Administration and Finance . . . . .	Geneva . . . . .	Aug. 28
Fourth Session of the Interim Commission . . . . .	Geneva . . . . .	Aug. 30–Sept. 14
International High Frequency Broadcasting Conference . . . . .	Atlantic City . . . . .	Aug. or Sept.

<sup>2</sup>Tentative.

# THE SELECTION OF PLANTS FOR REPARATIONS REMOVALS, DESTRUCTION, OR RETENTION IN JAPAN<sup>1</sup>

1. Within those amounts of industrial capacity determined by the Far Eastern Commission for retention in Japan, for destruction, or for removal as reparations, the Supreme Commander for the Allied Powers should, in selecting specific plants, machinery, equipment, and other facilities, give consideration to the following:

*a.* Security and industrial disarmament requirements: facilities which have been employed in primary and secondary war industries and facilities in war-supporting industries, the operation of which was directly and closely related to war industries, should be removed in preference to those not so employed.

*b.* The achievement of a fair balance between:

(1) The general preferences of reparations claimants for plants, machinery, equipment and other facilities

(a) Of modern and efficient design and manufacture

(b) In good working condition and capable of being removed from Japan with minimum loss of value and efficiency

(c) In consolidated or integrated units

(d) Of special value or need to claimant countries, and

(2) The legitimate needs, as determined by the Far Eastern Commission, of Japan's peacetime economy for similar equipment having due regard for the geographical location of individual plants in reference to markets, raw materials, manpower, fuel supply, and complementary facilities; for variations in specific products as among types, sizes and other variable characteristics; and for the feasibility of repair and rehabilitation in Japan.

*c.* The occupation policies of dissolving large industrial and banking corporations which have exercised control over a great part of Japanese trade and industry.

*d.* Consistent with the provisions of paragraph *a*, *b*, and *c*, the following order of preference in the selection of particular plants, machinery and equipment for removal:

(1) Plants and equipment owned by the

"Zaibatsu" concerns and other big industrial and financial concerns and companies

(2) Plants and equipment owned by other Japanese nationals, the Japanese Government, and by nationals and Governments of the countries which were allies of Japan

(3) Plants and equipment owned by nationals and Governments of the neutral countries.

2. Property of nationals of Members of the United Nations should be dealt with in accordance with FEC-226/1 (Destruction or Removal of United Nations' Property in Japan, Serial No. 76, approved 24 April 1947).<sup>2</sup>

## EXPERTS MEET AT GENEVA TO PREPARE FOR A WORLD CONFERENCE ON PASSPORT AND FRONTIER FORMALITIES

A meeting of experts on passport and frontier formalities, called by the United Nations to prepare for a world conference on passport and frontier formalities, was held at Geneva, Switzerland, from April 14 to April 25, 1947. Delegates from 31 nations and observers from 5 nations<sup>3</sup> attended the meeting to discuss the recommendations made by the International Chamber of Commerce, the Provisional International Civil Aviation Organization, the International Conference of National Tourist Organizations, the International Automobile Federation, the International Touring Association, the International Air Transport Association, and other international bodies for the simplification of documentary requirements and frontier formalities.

<sup>1</sup> Policy decision approved by the Far Eastern Commission on May 22, 1947, and released to the press on June 10. A directive based upon this decision has been forwarded to the Supreme Commander for the Allied Powers for implementation.

<sup>2</sup> BULLETIN of May 18, 1947, p. 986.

<sup>3</sup> The 31 nations represented by official delegates were: Argentina, Australia, Belgium, Bolivia, Canada, Chile, China, Colombia, Czechoslovakia, Denmark, Dominican Republic, Ecuador, El Salvador, Ethiopia, France, Greece, Guatemala, India, Iraq, Lebanon, Luxembourg, Mexico, Netherlands, Norway, Poland, Sweden, Turkey, Union of South Africa, United Kingdom, United States, and Venezuela. The five countries represented by observers were: Afghanistan, Brazil, Iran, New Zealand, and Yugoslavia.

In May 1946 the Temporary Transport and Communications Commission of the Economic and Social Council of the United Nations recommended to the Council that a world conference on passport and frontier formalities meet as soon as possible to simplify the nonimmigrant travel of peoples between countries. At its second session the Economic and Social Council adopted a resolution stating that a meeting of experts should be convened to prepare for a world conference on passport and frontier formalities. At its third session the Council requested the Secretary-General to prepare an agenda for the meeting of experts which would take into consideration the recommendations of official and other competent international groups on the subject of passports, visas, and frontier formalities. As a result, the Secretary-General submitted a preparatory memorandum containing a suggested agenda made by the various international groups. Invitations were issued to all the United Nations members to participate in this meeting. At the same time the suggested agenda was issued, which included a consideration of all the recommendations pertaining to passports, visas, and other frontier documents, in addition to such frontier formalities as police, currency, customs, and public health control.

The meeting of experts was opened on April 14 by David Owen, Assistant Secretary-General in charge of economic affairs of the United Nations. A decision was made by the Conference to take up all matters on the agenda in plenary session and to create a drafting committee to resolve problems of consolidation, summary, and wording. The drafting committee submitted its final report on Friday, April 25.

The recommendations of the United States Delegation were in general the most liberal presented. They were to a large extent adopted by the meeting and recommended to the attending governments. The recommendations finally adopted by the Conference and written into the report to the United Nations Economic and Social Council proposed acceptance of the following general principles:

(1) The maintenance of a single passport system based on the international type of passport; the encouragement on a reciprocal basis of the elimination of passport requirements by bi-

lateral agreements; the widening of the usefulness of the passport in terms of time and area; the fixing of passport fees in such a manner as not to bring in revenue exceeding the expenditure involved in the preparation and issuing of passports; and the simplification of formalities for obtaining passports.

(2) The universal abolition of exit visas and general simplification of exit formalities.

(3) Countries which have entered into agreements to abolish visas should undertake negotiations for further agreements of a similar nature, with the general abolition of visas as the ultimate objective; while the general abolition of transit visas is not feasible as an immediate measure, it would contribute to that end if they were abolished as widely as possible, especially by agreement between governments; the usefulness of the visa should be extended in terms of the number of journeys permitted, period of validity, and ports of entry.

(4) The adoption of universal abolition of visa fees as an objective and the elimination of discrimination on the basis of nationality, itinerary, purpose of visit, means of transport, or flag of vessel in such fees; the simplification of procedure for obtaining a visa; the elimination of discrimination against a visitor because his objective is the conduct of commercial business; and the elimination of all supplementary fees.

(5) The simplification and expedition of frontier controls and the provision of adequate facilities for their operation.

(6) The recommendation of a simplified certificate system for protecting currency of travelers entering and leaving exchange-control countries; an increase of exchange facilities at ports of entry; and the publication or regulation of rates of exchange.

(7) Advice to travelers on customs procedure; nonexamination of registered baggage in transit; combined and "en route" customs examination of hand baggage; and the general simplification of customs formalities.

(8) The elimination of charges for medical examinations; the simplification of health examinations; and the recognition of the standard inoculation and vaccination certificates.

As a final recommendation the meeting suggested that the Economic and Social Council

should consider, after a suitable interval, the desirability of convoking a further meeting of experts to review the position which had then been reached and if possible to make recommendations which might lead to further progress. The meeting expressed the hope that in the event that such a further meeting be held, a larger number of governments might find it possible to be represented.

Consistent with the purposes of the meeting of experts at Geneva, the Department of State has recently initiated the practice of giving nonimmigrant visas a validity of two years for nationals of governments which give American citizens the same or better treatment, and with which governments agreements have been concluded. (For example, the agreement with Sweden came into effect as of June 1, 1947.) This, it is believed, will go far to facilitate the movement of nonimmigrant

passenger traffic, since such visas will be valid for any number of entries into the United States within the validity of the visa.

With respect to the matter of reducing the number of papers and documents necessary for travel, the Department of State has recently adopted a new simplified and streamlined form, post-card size, known as "nonimmigrant form 257." This consolidates into one small document the alien-registration certificate and the nonimmigration-visa application.

The Visa Division of the Department of State also has under active consideration the matter of simplifying the procedure for renewing the validity of nonimmigration visas, which, when put into effect, should be of considerable assistance in connection with efforts to expedite and facilitate travel.

## Fifth International Hydrographic Conference

ARTICLE BY REAR ADMIRAL ROBERT O. GLOVER AND REAR ADMIRAL LEO O. COLBERT

The Fifth International Hydrographic Conference, which was held at Monte Carlo, Monaco, from April 22 to May 5, 1947, was part of a continuing effort to coordinate the work of national hydrographic offices and promote the facility and safety of navigation in all the seas of the world. Adequate hydrographic surveys, accurate and up-to-date charts, comprehensive descriptions of coasts and ports, the study of physical phenomena affecting navigation, the improvement of hydrographic survey methods, and the development of navigational methods are all responsibilities of the national hydrographic offices. These services must be supplemented from day to day by a prompt and reliable system of navigational warnings issued as radio broadcasts or as printed *Notices to Mariners*. While each maritime country may readily survey and publish descriptions of its own coastal waters, it is dependent upon other countries for the basic data used in compiling its charts and publications for foreign coasts; and all countries have a community interest in the high seas and international waters.

The necessity for collaboration in the international phases of this work has long been recognized, but it was not until 1919 that the basis for a permanent organization was formulated by the

First International Hydrographic Conference, meeting at London and attended by delegates from 24 nations including the United States. As a result of this Conference, the International Hydrographic Bureau was established in Monaco in 1921, with a staff adequate to its prescribed liaison and technical duties. At intervals of about five years since its organization, the work of the Bureau has been reviewed by international hydrographic conferences and general directives covering future work have been agreed upon.

The Fifth Conference, which was the first since 1937, was attended by delegates from 16 of its member states: Argentina, Brazil, China, Denmark, Egypt, France, Greece, Monaco, Norway, Poland, Portugal, Siam, Spain, Sweden, the United Kingdom, and the United States. Uruguay was the only member not represented. There were also in attendance representatives of seven nonmember states: Chile, Germany (Allied supervisor of the German Hydrographic Institute), Italy, Mexico, the Netherlands, Turkey, and Yugoslavia. The first two plenary sessions were devoted particularly to the interests of the nonmember states, and the representatives of these states were present at many of the committee meetings. The Conference was also attended by

observers from several international organizations. The agenda for the Conference included the disposition of a number of accumulated technical proposals submitted by the member states.

The participation of the United States in this Conference was conducted, under the guidance of the Department of State, by the two principal hydrographic establishments of this Government: the Hydrographic Office of the Navy Department, which prepares and publishes nautical charts and navigational texts for international and foreign waters; and the Coast and Geodetic Survey of the Department of Commerce, which prepares and issues similar publications for United States waters. The United States Delegation to the Conference was announced in the *BULLETIN* of March 30, p. 575.

Early in the meeting special committees were formed to consider the following phases of work: statutes, eligibility, finance, charts, nautical documents, tides, and work of the Bureau. On the agenda of the Conference were a large number of technical proposals accumulated during a 10-year period. These proposals were discussed in committees, and specifications were adopted that will promote the accuracy of nautical charts and their utility to the navigators of all maritime countries. New electronic surveying techniques have brought national triangulation systems into direct contact and necessitated measures to obtain increased accuracy in the fixing of geodetic positions controlling hydrographic surveying and charting. Of some general interest was a resolution designed to promote uniformity in the handling of geographic names on the nautical charts of all countries.

The statutes of the International Hydrographic Bureau were examined in detail but changed in only minor respects. Future relations between the Bureau and related maritime activities under the United Nations organizations were covered by the following resolution:

"The International Hydrographic Bureau is an organization founded in 1921 for the benefit of Hydrography and Navigation. Its objects and powers are laid down in Articles 6 to 17 of the Statutes which have been approved by the Governments of the States Members. Within these approved objects and powers, the International Hydrographic Bureau looks forward to a coordination of its activities with such maritime activities

of the United Nations as may develop for the furtherance of international effort in the maritime field."

The details of the work of the various committees and a verbatim report of the plenary sessions will be duly published in the printed "Report of the Proceedings of the Fifth International Hydrographic Conference" and distributed to member states by the International Hydrographic Bureau.

The formal recommendations of the Conference were in all cases consistent with the position of the United States. The technical recommendations, which constituted the bulk of the agenda, are not binding upon the member states, but experience has shown that they will be put into practice in nearly all instances and thereby preserve and extend a high degree of uniformity in the nautical charts and books that must, in many instances, serve the mariners of all nations.

The Fifth International Hydrographic Conference re-fre-hed and strengthened the ties that exist among the personnel of the hydrographic institutions of all maritime nations. From contacts at the committee sessions and from many intimate discussions at other hours, they have become better acquainted with the peculiar problems of individual institutions and are in a better position to make an intelligent exchange of technical data and nautical charts and publications. This reacts to the benefit of the United States, because the documentation furnished to foreign-going navigators of naval and merchant vessels depends for its validity upon the data received from the foreign hydrographic offices.

The International Hydrographic Bureau has now accumulated a comprehensive reservoir of technical data that is peculiarly useful to newly formed hydrographic institutions. Siam, for example, credits the Bureau for continuous guidance during the most difficult period when it was developing its national hydrographic surveying establishment. As a direct result new surveys of the Siamese coast contribute to the safety of United States shipping in Siamese waters. It is expected that other minor maritime countries, including those on this Hemisphere, such as Colombia, Venezuela, and Mexico, when they undertake their own hydrographic work, may be similarly aided by the excellent technical pattern provided by the Bureau.

## International Red Cross Committee Meeting

ARTICLE BY ALBERT E. CLATTENBURG, JR.

On September 5, 1945, the International Red Cross Committee at Geneva invited the Governments of the United States, Great Britain, the Soviet Union, China, and France to send to Geneva technical experts who might informally discuss with the Committee proposals for the revision of international conventions relating to the treatment of enemy prisoners of war and civilian internees. The Committee suggested that the meeting be held soon "so that the participating speakers may neither have lost sight of their war-time activities nor wholly be absorbed by other official duties." If the meeting was accepted by the governments first invited, the intention was stated to invite also the British Dominions, Belgium, Brazil, Czechoslovakia, the Netherlands, Norway, Poland, and Yugoslavia.

On February 5, 1946, the Secretary of State accepted on behalf of the United States Government the invitation of the International Red Cross. Acceptances were also received from the majority of the other governments named above. The meeting of experts was originally set for October 1946. Later developments, however, forced its successive postponement until the date finally agreed upon, April 14-26, 1947.

In order to make proper provision for American participation in the meeting, the Interdepartmental Prisoners of War Committee was established early in 1946, on which were placed representatives of the State, War, Navy, and Justice Departments. A representative of the American Red Cross was detailed as adviser to the Committee. Representatives of the Post Office Department participated in several of its meetings. The work of the Committee resulted in agreed recommendations for the modification of the Geneva prisoners of war convention and the Red Cross convention and for the adaptation of the prisoners of war convention to the treatment of civilian internees. It also considered the revision of the tenth Hague convention, dealing with hospital ships and various other technical problems which were likely to be discussed at Geneva.

On March 26, 1947, the following persons, all of whom had served on the Prisoners of War Committee, were designated as the members of the American Delegation to the meeting of government experts called under the auspices of the International Red Cross:

### *Chairman*

Albert E. Clattenburg, Jr., Chief of the Special Projects Division, Department of State

### *Delegates*

Brig. Gen. B. M. Bryan, Provost Marshal General, U. S. Army

Col. R. McDonald Gray, Personnel and Administration Division, War Department General Staff

Alwyn V. Freeman, Assistant Legal Adviser, Department of State

Eldred D. Kuppinger, American Consul, London

### *Observers*

Col. J. V. Dillon, Provost Marshal, U. S. Army Air Forces

Harold W. Starr, Assistant General Counsel, American Red Cross

When the meeting opened at Geneva on April 14, 1947, there were present representatives of 14 nations, namely: Australia, Belgium, Brazil, Canada, China, Czechoslovakia, France, Great Britain, India, the Netherlands, New Zealand, Norway, the Union of South Africa, and the United States of America. It was announced that the Greek Delegation would not arrive, on account of an airplane accident which had destroyed its means of transportation. The Polish Delegation was expected that afternoon but did not arrive until later in the week, owing to transportation difficulties. Representatives of the Soviet Union and Yugoslavia did not attend the meeting. Judge Max Huber, the Honorary President of the International Red Cross, welcomed the delegates in a speech outlining the necessity for the meeting and the hope of the International Red Cross that the problems of regulating the conduct of belligerents toward the individual victims of war might be met promptly and definitely.

The delegates accepted the plan of conducting the conference and the agenda prepared by the International Red Cross Committee but insisted that the Committee provide a chairman for the plenary sessions of the meeting; with some reluctance, because he had hoped to participate in the discussions, the Committee selected Judge Huber to be the chairman of the plenary sessions of the meeting and thus the president of the conference.

Problems of organization having been met in the morning session on the first day, the meeting was divided in the afternoon into three technical committees to consider respectively (1) the treatment of sick and wounded and the establishments devoted to their care; (2) the treatment of prisoners of war; and (3) the treatment of civilians.

The technical committees forthwith selected their presiding officers and proceeded to work, well aware that they faced a colossal task if they were to cover the ground assigned to them during the short space of time allotted to the meeting. The scope of the effort of the technical committees is indicated by the following:

Committee I considered piecemeal each of the 39 articles included in the Geneva Red Cross convention of July 13, 1929, all the articles of the tenth Hague convention relating to hospital ships, and numerous draft conventions or annexes bearing on the treatment of sick and wounded, both military and civilian, and on the treatment of personnel, equipment, and installations devoted to their care. It recommended numerous changes necessary for the successful application of such provisions to circumstances of modern warfare.

Committee II considered piecemeal each of the 96 articles included in the Geneva prisoners of war convention of July 13, 1929, as well as a number of new suggested articles. It recommended extensive changes and rewordings designed to make the convention easier to apply uniformly, less susceptible of different interpretations, and more effective in protection of the prisoners.

Committee III wrote an entirely new draft convention on the protection of civilians, both enemy civilians in belligerent territory and civilians in occupied territory, comprising 40 principal articles, 4 annexes with a total of 92 articles, and 4 resolutions regarding additional provisions to be developed.

In arriving at the foregoing results, it was necessary for some of the committees to carry on their work late into the night. The amount of ground covered was, however, the occasion of a considerable sense of accomplishment on the part of the delegates and of compliments from members of the International Red Cross Committee. The relationships among the delegates were extremely pleasant and the degree of agreement achieved on most of the points discussed was remarkable.

Three principal documentary contributions to the success of the meeting were (1) the complete documentation prepared by the International Red Cross upon the basis of its wartime experience and its exchange of views the previous summer with delegations from national Red Cross societies of the Allied nations; (2) the complete projects for the revision of the prisoners of war and Red Cross conventions and for the adaptation of the former for the protection of civilian internees, brought to the meeting by the American Delegation; (3) the complete project for the protection of civilians in occupied territory, brought to the meeting by the French Delegation.

Aside from the contributions mentioned, numerous delegates had attended the Red Cross meeting of the preceding summer and were thoroughly familiar with the arguments, pro and con, on numerous contentious points. They were frequently able to save the delegates from once again covering well-trodden fields. In particular, the Delegations from the Netherlands and Norway brought specific recommendations with reference to difficult points that were of special interest to them.

The degree of agreement on numerous points, including some that had been expected to be contentious, was remarkable. In tabulating the achievements of the meeting, the American Delegation has compiled a list of 12 important points which were accepted, nearly all of them without any extensive disagreement. On the other hand, there proved to be a few important points upon which complete agreement was not possible. These points were as follows: (1) the definition of those partisans entitled to protection as prisoners of war; (2) the adaptation of provisions affecting maritime warfare adequately to meet modern conditions; (3) the character and identity of the international agency responsible for supervision of



execution of the conventions, having in mind: (a) the possibility that a protecting power may not be available, (b) the unlikelihood that any United Nations agency would be acceptable to the dissident belligerent in a future conflict, and (c) the reputed unacceptability of the International Red Cross Committee to certain governments.

Commencing with the afternoon of Thursday, April 24, there were held the four closing plenary sessions of the meeting. The first three of these meetings were devoted to discussions of and approval of the reports prepared by the technical committees. The fourth and final session was devoted to subjects of a more general nature. Discussion was held on the question of the possible amalgamation of all the conventions relating to the victims of warfare, on the possibility of calling a diplomatic conference to consider formal adoption of draft treaties before public interest abates and ratification becomes difficult to achieve, and the desirability of having the conventions adopted in at least two languages as official versions to facilitate translation. As a result of initiative by the Polish and Brazilian Delegations, an expression of the personal hopes of the delegates that further war could be avoided was unanimously adopted in phraseology devised by the British Delegation. The meeting then closed with warm words of praise for the generous and efficient hospitality of the International Red Cross Committee and for the fine spirit of cooperation and devotion to the interests of humanity displayed by the delegates.

The United States Delegation returned to Washington on May 20 and since that time has been oc-

cupied, so far as current duties permit, in putting the finishing touches on its report. The delegates expect to recommend the reconstitution of the Interdepartmental Prisoners of War Committee on a broader basis to consider in detail the results of the Geneva meeting so that this Government will be adequately prepared to further the prompt formulation of, and shortly thereafter to adopt, new conventions which will adequately set forth the rights and obligations of individuals, whether civilian or military, if war again plagues mankind. As presently scheduled, the next international meeting to consider such problems will be the Red Cross meeting at Stockholm in August 1948, which would be followed somewhat later by a formal diplomatic conference. In common with a majority of their fellow delegates, the United States Delegation felt that this schedule is too leisurely and will recommend that steps be taken to advance the dates of the meetings as much as possible. It is recalled that the Geneva conventions were not signed until 11 years after the armistice of November 11, 1918; that by that time many of the administrative experts familiar with the operation of such conventions were unavailable for consultation; and that the question of treatment of civilians was deferred even then as not being too pressing and was to be considered formally only in 1940, leaving civilians of all sorts in belligerent and occupied territory without any formal international legal protection during the recent holocaust. Modern conditions have created such wide gaps in international law on these subjects that all the delegates to the Geneva meeting were convinced of the urgency of immediate remedial action.

## **Second Meeting of the U.N. Preparatory Committee for the International Conference on Trade and Employment**

### **REPORT TO THE OFFICE OF PUBLIC AFFAIRS, DEPARTMENT OF STATE**

GENEVA, *June 2, 1947*.—Progress is being made in Geneva both in the drafting of the ITO charter and in the tariff negotiations.

#### **Procedure on ITO Charter**

To facilitate the charter drafting, the Preparatory Committee of 17 nations has worked out a timetable for consideration of the charter and has established two commissions which meet simultaneously working on different chapters of the charter. Commission A deals with chapter IV, which covers problems of economic development and investment, and chapter V on general commercial policy. Commission B deals with chapter VI on restrictive business practices and chapter VII on intergovernmental commodity arrangements.

The present schedule calls for completion of discussions on chapters IV through VII by mid-July. Chapters I, II, and VIII on purposes, membership, and organization are scheduled for later consideration.

After full discussion in the two commissions, articles on which there is no controversy are approved. If any issues remain outstanding, a small subcommittee or subcommittees may be appointed by the chairman of Commission A or B, as the case may be, to deal with the issues developed by the discussion. Such committees ordinarily consist of four or five delegates, who represent the differing viewpoints expressed. The subcommittee's job is to reconcile the differences of views which have been presented in the Commission A or B sessions and to prepare a draft text which they believe might be unanimously accepted by the Preparatory Committee.

Inevitably the discussion reflects the various national problems that confront the countries represented. For example, those nations which are not yet highly developed industrially are especially concerned with the ways and means by which they can develop more domestic industry. The United States has been concerned that the charter provide adequate opportunities for expanding international trade and investment and safeguarding

both from hampering restrictions. The U.S. has consistently pointed out, moreover, that the aims of the underdeveloped and the highly developed nations are complementary.

#### **Draft General Agreement on Tariffs and Trade**

In the first session of the Preparatory Committee in London during October and November 1946, a draft of a general agreement on tariffs and trade was drawn up. This draft agreement reproduces many provisions from the London draft of the ITO charter. When a final draft on these provisions is agreed on by the Preparatory Committee, they will become part of the general agreement on tariffs and trade. The purpose of the agreement, which would be signed by the countries involved in the trade negotiations, is to make effective among themselves such provisions of the draft ITO charter as are applicable at this stage. Further, the draft agreement states that the signing of this agreement, prior to the world trade conference, "will constitute concrete achievement capable of generalization to all countries on equitable terms".

At present the draft general agreement includes the following ITO charter articles: article 14 on general most-favored-nation treatment, article 15 on national treatment of internal taxation and regulation, article 16 on freedom of transit, article 17 on antidumping and countervailing duties, article 18 on tariff valuation, article 19 on customs formalities, article 21 on publications and administration of trade regulations, article 25 on general elimination of quantitative restrictions, article 26 on restrictions to safeguard the balance of payments, article 27 on nondiscriminatory administration of quantitative restrictions, article 28 on exceptions to the rule of nondiscrimination, article 29 on exchange arrangements, article 30 on general undertaking regarding subsidies, article 31 on nondiscriminatory administration of state-trading enterprises, article 4 on maintenance of domestic employment, article 13 on governmental assistance to economic development, article 34 on emergency action on imports of particular products, article 35

on consultation-nullification or impairment, article 37 on general exceptions, article 38 on territorial application, frontier traffic, customs unions.

The draft general agreement on tariffs and trade presently provides that the schedules of concessions on particular products arrived at in the trade negotiations at Geneva be annexed to this agreement and become an integral part of it. Each party to the agreement will accord to the commerce of the other parties to the agreement the treatment which is provided for in the trade schedules. As a protection for these concessions, each party to the agreement is required not to alter the general principles applicable in its territory for determining dutiable value of incoming goods and for converting currencies so that the value of the concessions arrived at would not be impaired.

The draft agreement on trade and tariffs also provides for setting up an interim trade committee on which each party to the agreement will have one representative and one vote, to be responsible for implementing the agreement and for dealing with any disputes arising out of the interpretation or operation of this agreement. When the ITO has been established and is ready to function, the committee would be dissolved and its functions and assets turned over to the ITO.

Each government accepting the agreement, and so informing the Secretary-General of the United Nations, will be free to withdraw from the agreement after three years by notifying the Secretary-General, and the withdrawal would take effect six months later.

The countries which accept this agreement undertake to be guided in their international economic relations by the purposes of the ITO, which in essence are to promote national and international action which will expand the production, exchange, and consumption of goods, achieve higher standards of living, reduce tariffs and other trade barriers and eliminate discriminatory treatment in international commerce, encourage and assist general economic development, and facilitate solution of problems in the field of international trade, employment, and economic developments through consultation and collaboration.

The American Delegation is giving constant and careful attention to American views and comment on the draft charter that emerged from the London meeting. These views have been expressed through the informal hearings on the charter held

in the United States in February and March, through statements made in the hearings on the charter held by the Senate Finance Committee and through statements and briefs presented by organizations and individuals. The United States Delegation has presented to the Preparatory Committee amendments to the charter in the light of these comments. Other nations, too, are presenting amendments on many articles in the charter. All of these amendments are being thoroughly discussed in the commissions set up by the Preparatory Committee. Where many points of view are expressed, various of them in conflict with each other, a certain degree of compromise is required in developing a text of the charter which can be signed by the countries who are members of the Preparatory Committee for submission to the world trade conference which the United Nations will call later this year.

### Trade Negotiations

By the end of May, 93 different trade negotiations had been opened and 9 additional negotiations were planned. The trade talks represent a monumental task. Many meetings have been proceeding between delegations of various countries, following the opening of negotiations.

When negotiations are opened, the two countries involved, having previously exchanged their requests on tariff and preference reductions and on elimination of other trade restrictions, proceed to exchange the offers they are prepared to make on the requests they have received. The next step is for each country to study the offers to determine how closely these offers meet their requests. In many cases where there is a wide gap between the offers and the requests, the two countries meet to discuss how they can proceed with negotiations. In some instances where the offer list is totally unsatisfactory in the light of the requests that are made, the negotiators may say they cannot proceed until a new offer list is presented.

In other instances, the requests and offers are close enough together so that discussions can proceed on the items that are listed.

Negotiations between the United States and specific countries are presently in various stages. In some instances the United States request list covers a very large number of items so that negotiations with some countries will take longer than in the case of others.

## THE RECORD OF THE WEEK

### Common Objectives and Ideals Manifested in U.S.-Canadian Relations

#### ADDRESS BY THE PRESIDENT<sup>1</sup>

MR. PRIME MINISTER, HONORABLE MEMBERS OF THE SENATE, AND MEMBERS OF THE HOUSE OF COMMONS OF CANADA:

This is my first visit to Canada as President of the United States, and I am happy that it affords me the opportunity to address this meeting of the members of both houses of the Canadian Parliament. Here is a body which exemplifies the self-government and freedom of the nations of the great British Commonwealth. The history of the Commonwealth proves that it is possible for many nations to work and live in harmony for the common good.

I wish to acknowledge the many courtesies extended to me on this visit by the Governor General, Viscount Alexander, who paid me the honor of a visit in Washington a few months ago. His career as a soldier and as a statesman eminently qualifies him to follow his illustrious predecessors.

For the courtesy of appearing before you, as for other courtesies, I am sure I am largely indebted to my good friend, Prime Minister Mackenzie King. I have come to value and cherish his friendship and statesmanship. As our two nations have worked together in solving the difficult problems of the postwar period, I have developed greater and greater respect for his wisdom.

Americans who come to know Canada informally, such as our tourists, as well as those whose approach is more academic, learn that Canada is a broad land—broad in mind and in spirit as well as in physical expanse. They find that the composition of your population and the evolution of

your political institutions hold a lesson for the other nations of the earth. Canada has achieved internal unity and material strength, and has grown in stature in the world community, by solving problems that might have hopelessly divided and weakened a less gifted people.

Canada's eminent position today is a tribute to the patience, tolerance, and strength of character of her people, of both French and British strains. For Canada is enriched by the heritage of France as well as of Britain, and Quebec has imparted the vitality and spirit of France itself to Canada. Canada's notable achievement of national unity and progress through accommodation, moderation, and forbearance can be studied with profit by her sister nations.

Much the same qualities have been employed, with like success, in your relations with the United States. Perhaps I should say "your foreign relations with the United States." But the word *foreign* seems strangely out of place. Canada and the United States have reached the point where we no longer think of each other as "foreign" countries. We think of each other as friends, as peaceful and cooperative neighbors on a spacious and fruitful continent.

We must go back a long way, nearly a century and a half, to find a time when we were not on good terms. In the War of 1812 there was fighting across our frontier. But permanent good came of that brief campaign. It shocked Canadians and Americans into a realization that continued antagonism would be costly and perilous. The first result of that realization was the Rush-Bagot agreement in 1817, which embodied a spirit and an attitude that have permeated our relations to this day. This agreement originally was intended to limit and to regulate the naval vessels of both

<sup>1</sup>Delivered before the Canadian Parliament at Ottawa on June 11, 1947, and released to the press by the White House on the same date. The President was the guest of the Canadian Government from June 9 to June 12.

countries on the Great Lakes. It has become one of the world's most effective disarmament agreements and is the basis for our much-hailed unfortified frontier.

I speak of that period of history to make the point that the friendship that has characterized Canadian-American relations for many years did not develop spontaneously. The example of accord provided by our two countries did not come about merely through the happy circumstance of geography. It is compounded of one part proximity and nine parts good will and common sense.

We have had a number of problems, but they have all been settled by adjustment, by compromise, and by negotiations inspired by a spirit of mutual respect and a desire for justice on both sides. This is the peaceful way, the sensible way, and the fair way to settle problems, whether between two nations that are close neighbors or among many nations widely separated.

This way is open to all. We in Canada and the United States are justifiably proud of our joint record, but we claim no monopoly on the formula.

Canada and the United States will gladly share the formula, which rejects distrust and suspicion in favor of common sense, mutual respect, and equal justice, with their fellow members of the United Nations. One of the most effective contributions which our two countries can make to the cause of the United Nations is the patient and diligent effort to apply on a global scale the principles and practices which we have tested with success on this continent.

Relations between Canada and the United States have emphasized the spirit of cooperation rather than the letter of protocol. The Rush-Bagot agreement was stated in less than 150 words. From time to time it has been revised by mutual agreement to meet changing conditions. It was amended as recently as last December.

The last war brought our countries into even closer collaboration. The Ogdensburg agreement of 1940 provided for the creation of the Permanent Joint Board on Defense. It was followed by the Hyde Park agreement of 1941, which enabled us to coordinate our economic resources with increased efficiency. Common interests, particularly after Pearl Harbor, required the creation of several joint agencies to coordinate our efforts in special fields. When victory ended the necessity for these

agencies, they were quietly disbanded with a minimum disturbance of the national economies of the two countries.

The Permanent Joint Board on Defense will continue to function. I wish to emphasize, in addition to the word *permanent*, the other two parts of the title. The Board is joint, being composed of representatives of each country. Canada and the United States participate on the basis of equality, and the sovereignty of each is carefully respected. This was true during the gravest days of the war and it will continue to be true, in keeping with the nature of all our joint undertakings.

The Board was created, and will continue to exist, for the sole purpose of assuring the most effective defense of North America. The Board, as you know, has no executive powers and can only make recommendations for action. The record of the Board provides another example of the truly cooperative spirit that prevails between the two countries.

The spirit of common purpose and the impressive strength which we marshalled for action on all fronts are the surest safeguard of continental security in the future.

The people of the United States fully appreciate the magnificent contribution in men and resources that Canada made to the Allied war effort. United States soldiers, sailors, and airmen in the heat of battle knew their Canadian comrades as valiant and daring warriors. We look back with pride on our association as staunch allies in two wars.

Today our two nations are called upon to make great contributions to world rehabilitation. This task requires broad vision and constant effort.

I am confident that we can overcome the difficulties involved, as we overcame the greater difficulties of the war. The national genius of our peoples finds its most satisfying expression in the creation of new values in peace.

The record proves that in peaceful commerce the combined efforts of our countries can produce outstanding results. Our trade with each other is far greater than that of any other two nations on earth.

Last year the flow of trade in both directions across the border reached the record peacetime total of two and a quarter billion dollars. We imported from Canada more than twice the value of goods we received from the United Kingdom,

France, China, and Russia combined. United States purchases from Canada were about six times our purchases from Great Britain, nearly ten times those from China, and eleven times those from France. We sold to Canada nearly as much as we sold to Britain and France together.

Gratifying as the volume of our trade now is, it is capable of even further expansion to our mutual benefit. Some of our greatest assets are still to be developed to the maximum. I am thinking of one particularly that holds tremendous possibilities, the magnificent St. Lawrence-Great Lakes System, which we share and which we must develop together.

The St. Lawrence project stirs the imagination of men long accustomed to majestic distances and epic undertakings. The proposal for taking electric power from the river and bringing ocean shipping 2,400 miles inland, to tap the fertile heart of our continent, is economically sound and strategically important.

When this program is carried out, the waterway that is part of our boundary will more than ever unite our two countries. It will stimulate our economies to new growth and will speed the flow of trade.

There have been times when shortsighted tariff policies on both sides threatened to raise almost insurmountable barriers. But the need to exchange goods was so imperative that trade flourished despite artificial obstacles. The reciprocal trade agreements of 1936 and 1939 made possible a sensible reduction of tariff rates and paved the way for our present phenomenal trade.

Something more than commercial agreements, however, is required to explain why Canada and the United States exchange more than two billion dollars' worth of goods a year. Ambassador Atherton has aptly given the reason as not "free trade," but "the trade of free men". That record flow of goods and the high standard of living it indicates, on both sides of the border, provide a practical demonstration of the benefits of the democratic way of life and a free economy.

The benefits of our democratic governments and free economies operating side by side have spread beyond our countries to the advantage of the whole world. Both nations expanded their productivity enormously during the war and both escaped the physical damage that afflicted other countries. As a result, Canada and the United States emerged

from the war as the only major sources of the industrial products and the food upon which much of the world depends for survival.

Canada has responded as nobly to the challenge of peace as she did to that of the war. Your wheat has fed millions who otherwise would have starved. Your loan has strengthened Britain in her valiant battle for recovery.

The United States is particularly gratified to find Canada at our side in the effort to develop the International Trade Organization. We attach great importance to this undertaking, because we believe it will provide the key to the welfare and prosperity of the world in the years immediately ahead.

In sponsoring the International Trade Organization, the United States, with the cooperation of Canada and other countries, is making a determined effort to see that the inevitable adjustments in world trade as a result of the war will result in an expanding volume of business for all nations.

Our goal is a vast expansion of agriculture and industry throughout the world, with freer access to raw materials and markets for all nations, and a wider distribution of the products of the earth's fields and factories among all peoples. Our hope is to multiply the fruitfulness of the earth and to diffuse its benefits among all mankind.

At this critical point in history, we of the United States are deeply conscious of our responsibilities to the world. We know that in this trying period, between a war that is over and a peace that is not yet secure, the destitute and the oppressed of the earth look chiefly to us for sustenance and support until they can again face life with self-confidence and self-reliance.

We are keenly aware that much depends upon the internal strength, the economic stability, and the moral stamina of the United States. We face this challenge with determination and confidence.

Free men everywhere know that the purpose of the United States is to restore the world to health and to re-establish conditions in which the common people of the earth can work out their salvation by their own efforts.

We seek a peaceful world, a prosperous world, a free world, a world of good neighbors, living on terms of equality and mutual respect, as Canada and the United States have lived for generations.

We intend to expend our energies and invest our substance in promoting world recovery by

assisting those who are able and willing to make their maximum contribution to the same cause.

We intend to support those who are determined to govern themselves in their own way, and who honor the right of others to do likewise.

We intend to aid those who seek to live at peace with their neighbors, without coercing or being coerced, without intimidating or being intimidated.

We intend to uphold those who respect the dignity of the individual, who guarantee him

equal treatment under law, and who allow him the widest possible liberty to work out his own destiny and achieve success to the limit of his capacity.

We intend to cooperate actively and loyally with all who honestly seek, as we do, to build a better world in which mankind can live in peace and prosperity.

We count Canada in the forefront of those who share these objectives and ideals.

With such friends we face the future unafraid.

## Position on a United States of Europe

### LETTER FROM SECRETARY OF STATE TO CHAIRMAN OF SENATE COMMITTEE ON FOREIGN RELATIONS

*June 4, 1947.*

DEAR SENATOR VANDENBERG: I refer to your letter of March 24, 1947, acknowledged by the Department on March 28 in regard to S. Con. Res. 10 introduced by Senator Fulbright and Senator Thomas of Utah. The Resolution states that the Congress favors the creation of a United States of Europe within the framework of the United Nations.

I assume that the Resolution has been deliberately phrased in general terms for the purpose of endorsing a principle without raising numerous important questions of detail.

I am deeply sympathetic towards the general objective of the Resolution which is, as I understand it, to encourage the peoples of Europe to cooperate together more closely for their common good and in particular to encourage them to cooperate together to promote the economic recovery of Europe as a whole.

Of course the United States wants a Europe which is not divided against itself, a Europe which is better than that it replaces. Only as we can inspire hope of that can we expect men to endure what must be endured and make the great efforts which must be made if wars are to be avoided and civilization is to survive in Europe.

But we should make clear that it is not our purpose to impose upon the peoples of Europe any particular form of political or economic association. The future organization of Europe must be determined by the peoples of Europe.

While recognizing that it is for the peoples of Europe to determine the kind of organized effort which may be appropriate to facilitate the peaceful development of a free Europe, the United States welcomes any initiative which may be taken by the peoples of Europe within the framework of the United Nations to ensure greater cooperation among themselves to expedite the reconstruction and restoration of the economy of Europe as a whole, to improve living standards, to strengthen the general security and to promote the general welfare.

To avoid any misunderstanding as to our purpose, I believe it desirable that some of the ideas I have expressed here be embodied in the Resolution. Perhaps the authors of the Resolution might consider adding a preamble along these lines.

The Department has been informed by the Bureau of the Budget that there is no objection to the submission of this report.

Faithfully yours,

G. C. MARSHALL

## **Regret Expressed That Yalta Commitments Remain Unfulfilled in Hungary, Rumania, and Bulgaria**

### **STATEMENT BY THE PRESIDENT UPON RATIFICATION OF PEACE TREATIES**

[Released to the press by the White House June 14]

At the time of ratification of the treaties establishing peace with Hungary, Rumania, and Bulgaria, I feel I must publicly express regret that the governments of those countries not only have disregarded the will of the majority of the people but have resorted to measures of oppression against them. Ever since the liberation of these countries from the Nazi yoke and the commitments undertaken by the three Allies at Yalta, I had hoped that governments truly representative of the people

would be established there. Such governments do not exist today in those three countries.

It is, however, in the interests of the Hungarian, Rumanian, and Bulgarian peoples to terminate the state of war which has existed between their governments and the United States for over five years. The establishment of peace will mean that all occupation forces (not including Soviet units needed to maintain lines of communication to the Soviet zone of occupation in Austria) will be withdrawn from these countries and armistice Control Commissions terminated.

## **New Era Anticipated for Italy**

### **STATEMENT BY THE PRESIDENT UPON RATIFICATION OF PEACE TREATY**

[Released to the press by the White House June 14]

With the ratification of the treaty of peace with Italy we bring to a close an unhappy chapter in Italian-American relations. At the same time we mark the beginning of a new era for Italy to which the Italian people can look with hope and confidence. Certain of the terms of the treaty are not in full accord with our desires. But the re-establishment of peace does provide a foundation for building anew a strong, free, and democratic Italy. And within the framework of the United Nations it should be possible to secure such changes in the treaty clauses as may be required in the light of future experience.

From the first days of the Allied liberation of Italy we found the Italian people as eager as we ourselves to destroy the tyrannies of Fascism and Nazism which had despoiled their country and destroyed their liberties. Marching by our side against the common foe, the Italian armed forces

and the Italian people contributed mightily to the ultimate victory. This common sacrifice has strengthened the deep and lasting friendship between our two peoples. More than this, Americans have the satisfaction of standing at the side of Italy while her people, through adversity, are rebuilding with their own labors a new democracy and restoring their lost freedoms. During these most difficult years we have been able to do much to help the Italians to help themselves.

In order that their victory, and ours, may be preserved—in order that their freedoms and their reborn democracy may live and grow as Italy again takes her rightful place of honor and leadership among the free nations of the world—Americans will continue to stand by the side of their Italian friends, to work with them in our common efforts to rebuild and to restore a free world at peace.



## Protest of Arrest of Hungarian Smallholders Party Leader

### NOTE FROM U.S. REPRESENTATIVE ON ALLIED CONTROL COMMISSION FOR HUNGARY TO SOVIET ACTING CHAIRMAN

[Released to the press June 11]

*The United States Representative on the Allied Control Commission for Hungary, Brig. Gen. George H. Wcems, was instructed to deliver the following note to Lt. Gen. V. P. Seiridov, Soviet Acting Chairman of the ACC. Copies of this note were also furnished the Hungarian Government through the Legation at Budapest and the British and Soviet Governments through the Embassies at London and Moscow*

On instructions from my Government, I addressed you two communications, on March 5<sup>1</sup> and March 17,<sup>2</sup> regarding developments in Hungary, including the arrest on February 25 by the Soviet occupation forces of Béla Kovács, a parliamentary deputy of the majority Smallholders Party and a former Secretary General of that party. On both occasions I proposed the establishment of a commission, composed of representatives of the three powers on the Allied Control Commission, to investigate the situation created by that action and by the large-scale apprehension, by the Hungarian police, of other representatives of the majority party on charges of complicity in a conspiracy against the authority of the Hungarian state. My Government considered and continues to consider the effect of these actions as threatening the continuance of democratic processes in Hungary.

In reply you stated that the arrest of Kovács was the exclusive concern of the Soviet occupation forces because he was charged with crimes against those forces. Hence, you contended, his arrest could not be regarded "as an intervention on the part of the Soviet occupation authorities in the internal affairs of Hungary". You argued further that a three-power investigation of the arrests of other members of the Smallholders Party by the Communist-controlled Ministry of Interior would be an interference with the internal

affairs of Hungary and therefore was refused. Thus, it appeared that to investigate the arrest of alleged Smallholder Party members charged with conspiracy against the state would interfere with Hungarian affairs, while for the occupation forces to arrest one of the most important alleged plotters was not such interference by the simple process of charging him with another offense.

It now develops, however, that his offense was the same conspiracy which could not be investigated by three powers but which has in fact been investigated by one and which has led to a most flagrant interference in Hungarian affairs. Information relating to Hungarian political affairs, alleged to have been elicited from Béla Kovács during his detention incommunicado by the Soviet occupation forces, has been furnished by the Soviet authorities to the Communist Deputy Prime Minister of the Hungarian Government in such circumstances as to force the resignation of the Hungarian Prime Minister and other important leaders of the majority Smallholders Party and to bring about the reorganization of the Hungarian Government. The United States and United Kingdom members of the Allied Control Commission have been kept in ignorance of this information in clear violation of paragraph 6(c) of the statutes of the Allied Control Commission which provides that the United States and United Kingdom representatives on the Allied Control Commission shall have the right "to receive copies of all communications, reports and other documents which may interest the governments of the United States and United Kingdom". My Government has taken note that this action has resulted in the realignment of political authority in Hungary so that a minority which obtained 17 percent of popular support in the last free election has

<sup>1</sup> BULLETIN of Mar. 16, 1947, p. 495.

<sup>2</sup> BULLETIN of Mar. 30, 1947, p. 583.

nullified the expressed will of the majority of the Hungarian people, a situation which has apparently been admitted by the leader of the Communist minority, Rákosi, who is reported to have taken public satisfaction that his "iron-fisted" party, "conscious of its aims", has thus been able to take over control of Hungary.

My Government protests this unilateral action in violation of the Yalta agreements and this Soviet interference in Hungarian political affairs in derogation of the continued exercise of democratic rights in that country and of the freely expressed

will of the Hungarian people and again requests, as a member of the Allied Control Commission, the expeditious establishment of a three-power commission to examine the situation as a matter of urgency. Unless this or some equally effective action to bring about adequate investigation is agreed upon, my Government, conscious of its obligations under the Yalta declaration, as a signatory of the armistice with Hungary, and as a member of the United Nations, will consider such further action as may be appropriate in the circumstances.

#### REPLY FROM SOVIET ACTING CHAIRMAN TO U. S. NOTE ON HUNGARY

*Translation of General Sviridov's reply of June 14 to General Weems' note of June 11*

Confirming receipt of your letter of 11 June this year, I have honor to inform you that I cannot agree with the evaluation of the political situation in Hungary given in your letter. Your assertion of some change in the political power in Hungary, the nullification of the will of the majority of the Hungarian people and also of establishment of some kind of control over Hungary by the minority appears to be unfounded fiction.

It is known to all that the governmental crisis in Hungary was caused by the refusal of former Prime Minister Ferenc Nagy to return to the country notwithstanding the suggestion of Hungarian Government and leadership of the independent Smallholders Party, and his voluntary resignation which followed later.

This crisis was solved through efforts of all parties of coalition government in strict conformity with constitutional standards.

The new Hungarian Government headed by Prime Minister Lajos Dinnyes retained the previous distribution of portfolios among the coalition parties and remained basically the same as in the previous body. Towards this government was expressed the confidence of the overwhelming majority of the Hungarian people, which fact is attested by the declaration of national committee, signed by President of the Republic and leaders of all coalition parties, as well as unanimous de-

cision of confidence and granting of authority to the government by Hungarian Parliament.

All these facts have been widely publicized and undoubtedly are known to you; therefore after I had acquainted myself with your letter I could not help but notice in it attempts, under the disguise of defense of Hungarian democracy, to render support to separate individuals who have entangled themselves with conspirators, fled abroad from their people.

As far as concerns your statement of violation by me of paragraph 6 (c) of the statutes of the Allied Control Commission, in connection with turning over depositions in case of Béla Kovács to Hungarian Government, in conformity with request of Ferenc Nagy, this statement is based on a misunderstanding since these documents, as I have already notified you in my letter of 9 June, have no relation whatsoever to the activities of the Allied Control Commission.

Based on the foregoing I decline your protest as completely baseless since I cannot, from my point of view, see any unilateral actions which violate the Yalta Agreement; and also consider as fiction the statement of Soviet interference in Hungarian political affairs.

Taking the above into consideration I cannot agree with your proposal to establish a three-power commission to investigate the situation in Hungary, since I do not see any necessity for it and consider that this would be a rude interference in Hungarian internal affairs, which is not permissible.

## Relations With Former Hungarian Prime Minister Nagy

### EXCHANGE OF NOTES BETWEEN UNDER SECRETARY ACHESON AND THE PRIME MINISTER

[Released to the press June 10]

*Under Secretary of State Dean Acheson on June 10 authorized the publication of his note, dated March 3, 1947, in reply to a message of greeting sent to the Under Secretary by Prime Minister Nagy of Hungary under date of January 10, 1947, through his son, Francis Nagy, Jr., who had arrived in Washington as attaché of the Hungarian Legation*

*March 3, 1947.*

MY DEAR MR. PRIME MINISTER: I have received your kind message of January 10, 1947, which you sent to me through your son, Francis Nagy, Jr., now a member of the staff of the Hungarian Legation in Washington. It is a sincere pleasure to have this greeting from you.

In the months which have passed since your visit to the United States in June 1946, I have continued to follow events in Hungary with interest. I have noted with warm sympathy the will which the Hungarian people have shown to develop free and democratic institutions and their self-denying efforts to rehabilitate their national economy on a stable basis. These endeavors, I feel, have been well-guided by your leadership and that of President Tildy, and I have no doubt that in this duty you, in turn, have drawn strength and inspiration from the perseverance of your people. I can assure you that we here are giving close attention to the important problems affecting Hungary and, as you know, we are currently exploring in cooperation with the Hungarian Minister in Washington various possible means of extending further material assistance to your country.

In this period following upon the long and bitter years of war, we have had to deal with many difficult problems—problems which bear vitally on the welfare, happiness, and freedom of the peoples of the world. It is unfortunately true that, in some instances, the solutions which have been adopted in connection with the peace settlements as the only ones possible of agreement are not entirely satisfactory. Nevertheless, a beginning, however im-

perfect, has been made, and I am sure you will agree with me that we must now seek to consolidate the peace and to move ahead from this point along the paths of cooperation and freedom. I believe that progress and enduring peace for mankind will require not only our patience and understanding but also our steadfast support of the ideals and practices of free men.

The good will which the American people feel for the people of Hungary will not be diminished. It will, I am confident, continue to flourish, not alone because of the past friendship of our peoples but also because it will find new nurture in the common undertakings of peace upon which we are now engaged.

Sincerely yours,

DEAN ACHESON  
*Under Secretary of State*

BUDAPEST, *January 10, 1947.*

MR. SECRETARY: My son, Francis Nagy, jr., a junior member of the foreign service, has been assigned to the Hungarian Legation in Washington and is now departing to take up his duties and at the same time to study at a University if that is practicable. I am availing myself to this opportunity, Mr. Secretary, to send you a letter, mindful of our unforgettable visit to Washington and of your kind and understanding hospitality. Since then the Hungarian people have had occasion to enjoy the results of your understanding and support. The National Bank's gold reserve, with which we created a solid basis for the stabilization, is at home and from time to time displaced Hungarian property arrives to strengthen Hungarian economic life which is still struggling with many obstacles. Since then the Paris peace conference has been concluded and determined the basic principles of the peace treaty to be concluded with Hungary. The peace treaty will be burdensome on us but I place my trust in the Hungarian people's desire to live and in their husbandry, and I believe that they will be able to bear the burdens which the peace treaties will impose on us. All our

efforts are devoted to the end that as soon as possible Hungary might become the home of a satisfied, free people and that it might contribute to the progress of mankind.

I beg you Mr. Secretary not to permit the good will you feel toward us and have given evidence of to be diminished and to continue to honor with your esteem these little peoples whose prime minister, overburdened with many cares, greets you with a grateful heart and with highest esteem.

NAGY FERENC M. P.

## Concern Over Violation of Civil Liberties in Bulgaria

[Released to the press June 11]

The Yalta declaration on liberated Europe clearly defined the responsibilities of the Union of Soviet Socialist Republics, the United Kingdom, and the United States to aid the peoples of the former Axis satellite states to solve by democratic means their pressing political and economic problems. On various occasions the United States Government has officially expressed its deep concern with respect to political developments in Bulgaria that have appeared to be in complete disregard of both the spirit and the letter of the Yalta accord.

On June 7 the Acting United States Political Representative in Bulgaria sought in personal conversation with the Bulgarian Prime Minister a statement of the reasons for the lifting of the parliamentary immunity from arrest of the Opposition leader Nikola Petkov and his subsequent apprehension by the Bulgarian security authorities on the charge of conspiring with subversive foreign and domestic elements to overthrow the existing government.

As reported by the Acting Political Representative, the Prime Minister stated that intervention by foreign countries in Nikola Petkov's behalf would only arouse the suspicion that Petkov had underground connections abroad and that Petkov would be tried by the "sovereign country of Bulgaria and not in London or Washington".

This is not the first time the Bulgarian Prime Minister, other spokesmen of the Bulgarian Government in the Bulgarian Parliament, the official Bulgarian press, and even Bulgarian prosecutors, in bringing charges of treason against other but

lesser leaders in the struggle for the defense of political rights in Bulgaria, have insinuated subversive motives on the part of the United States Government in the support that it has given to the undertaking accepted by the Union of Soviet Socialist Republics, the United Kingdom, and the United States at Yalta to assure interim governments broadly representative of all democratic elements in the ex-satellite states.

Mr. Petkov was a legally elected member of the Bulgarian Parliament. He has been the head of the Agrarian Party and a leader of the Opposition in the Bulgarian Parliament. His leadership of the Bulgarian Opposition has evoked deep sympathy in the United States because he has openly fought for acceptance and perpetuation of civil liberties in his own country—principles that were agreed to at Yalta, that underlie the terms of the armistice with Bulgaria, and that article II of the peace treaty signed with Bulgaria was designed to protect and assure. One of the foundations upon which democratic parliamentary institutions rest is the recognition and acceptance of a legal opposition. Mr. Petkov, who has fearlessly represented such an opposition, has now been denied the privileges and immunities which attach to that parliamentary position and has been arbitrarily arrested by the organs of the governmental authority which he has lawfully opposed.

Despite the Yalta agreement, the armistice terms, and the provisions of the peace treaty assuring human freedoms in Bulgaria, the principal Bulgarian Opposition leader is now charged with treason. There can be no doubt that he will be tried in Bulgaria, "not in Washington or London", but it is just as certain that as he goes on trial in his own country so will the present Bulgarian regime be on trial in the minds of many Bulgarians and certainly in the opinion of all freedom-supporting peoples outside Bulgaria.

## Nationalization of Industry in Rumania

[Released to the press June 13]

The Rumanian Parliament has recently passed two measures which provide the machinery for stringent government supervision of the country's industry for the next five years.

A bill (enacted April 5) granting sweeping powers to a reorganized Ministry of Industry and

Commerce was followed by the enactment of a so-called Industrial Offices Bill (May 24) authorizing the establishment of governmental offices for the close regulation of every phase of industry and trade with the single exception (for the time being) of petroleum.

The authorization for government control of production, distribution, domestic and foreign trade, prices, wages, profits, investments, and credits is so far reaching that it may well result in nationalization without compensation.

Consequently, the American Mission in Bucharest, prior to the passage of the Industrial Offices Bill, made representations to the Rumanian Government reserving all rights on behalf of American interests in Rumania in enterprises which might be adversely affected, stating that prompt, adequate, and effective compensation will be expected if American management is unable to continue.

## **Dwight P. Griswold Assumes Duties as Chief of American Mission for Aid to Greece**

[Released to the press June 13]

Dwight P. Griswold arrived in Washington late on June 13 from Germany to assume his new post as Chief of the American Mission for Aid to Greece.

Mr. Griswold held conferences with Department officials after being greeted at the airport by officials of the Department, including George McGhee, Special Assistant to the Under Secretary for Economic Affairs, and Loy Henderson, Director of the Office of Near Eastern and African Affairs.

The new Greek Mission chief, nominated on June 6 by President Truman and confirmed on June 10 by the Senate, also began selection of the members of his staff and reviewed preliminary plans already made for the Mission.

In Germany, Mr. Griswold was Director of Internal Affairs and Communications in the American zone under General Clay. Governor of Nebraska from 1940 to 1946, he is a Nebraska banker and newspaper publisher and in World War I was a captain in the 127th Field Artillery. His home is Lincoln, Nebraska.

## **Procedures for Filing Claims in Yugoslavia**

[Released to the press June 13]

The Yugoslav Embassy has informed the Department of State of the enactment by the Federal People's Republic of Yugoslavia of a statute which provides as follows:

Holders of Yugoslav Government prewar internal-debt obligations payable in dinars and originating prior to April 18, 1941, must submit such securities to the Ministry of Finance of the Federal People's Republic of Yugoslavia, Division of Government Debts, at Belgrade, not later than June 30, 1947, for conversion into new 30-year three-percent government dinar bonds. (Cash will be paid for amounts less than 500 dinars.) In accordance with a law of 1945, conversion is to be made at the rate of one Federal People's Republic of Yugoslavia dinar to 10 prewar dinars.

Nonfunded claims of all kinds against the Yugoslav Government must also be registered by June 30, 1947, with the agencies where such claims originated.

Securities not received by the Yugoslav Ministry by June 30, 1947, will lose their value, and claims not registered with the appropriate agencies on or before that date will become void.

Each holder must deposit simultaneously all of the securities held by him and must submit with them a declaration enumerating, for each loan issue, the number of securities deposited and their present face value. The declaration must also state (1) whether or not additional securities will be deposited for the declarant's account by some other named person or institution, and if so, their class and present face value; (2) whether the declarant is submitting a statement of non-funded claims, and if so, against which agencies and in what amounts such claims lie; and (3) in the case of foreign holders of securities, the citizenship of the declarant, and when and how he acquired possession of the securities involved. In the case of declarations relative to nonfunded debts, the declarant must give (1) his first and last name and his address; (2) the basis of his claim; (3) the proof supporting his claim; (4) the day, month, and year on which the claim originated; (5) the amount of the claim, in terms of prewar dinars; and (6) a statement whether he is submitting a declaration relative to any other

claim, and if so, the amount of such claim and the name of the agency with which it is being filed. Declarations relative to nonfunded claims must be submitted separately from declarations pertaining to government securities, and a special decision with regard to the conversion (into current dinars) of each nonfunded obligation will be made.

Each declaration must be signed by the holder or creditor, and in any case where the declarant is not the owner he must state the owner's name and address.

Holders of securities and creditors submitting nonfunded claims must transmit their declarations and securities or claims to the appropriate office at Belgrade at their own expense and risk. Yugoslav diplomatic representatives abroad have not been authorized to act as transmitting agents.

The funded debts to which the law applies are as follows:

1. Two-percent lottery loan—1881
2. Lottery loan—1888 (tobacco lots)
3. Four-percent bonds for settlement of the agrarian reform in Bosnia and Hercegovina—1921
4. Seven-percent investment loan—1921/1937
5. Two and one-half percent lottery bonds for war damages—1922/1934
6. Bonds for settlement of claims for Begluk estates—1929/1930 and 1932/1939
7. Six-percent bonds for settlement of the agrarian reform in the Territory of former Dalmatia—1930 and 1939
8. Four-percent government-guaranteed bonds for settlement of the agrarian reform on large estates—1934
9. Five-percent loan for public works—1935
10. Six-percent bonds for settlement of the agrarian reform in Bosnia and Hercegovina—1936
11. Three-percent bonds for settlement of farmers' debts—1936
12. Six-percent loan for public works and national defense, issues I and II—1938
13. Four-percent bonds for compensation to war volunteers—1939
14. Three and nine-tenths percent bonds for settlement of claims of Serbian Orthodox Church in Serbia and Montenegro—1939
15. Converted loan—1895 (bonds payable in dinars)
16. Five-percent monopoly loan—1902 (bonds payable in dinars)
17. Four and one-half percent railroad loan—1906 (bonds payable in dinars)
18. Lottery of the Serbian Society of the Red Cross—1907. However, bonds of this issue in the possession of foreign nationals do not have to be converted.
19. Four and one-half percent rearmament loan—1909 (bonds payable in dinars)

20. Five-percent loan—1913 (bonds payable in dinars)
21. Eight-percent government foreign gold loan of the Kingdom of the Serbs, Croats, and Slovenes, series A—1922 (bonds payable in dinars)
22. Seven-percent government foreign gold loan of the Kingdom of the Serbs, Croats, and Slovenes, series B—1922 (bonds payable in dinars)
23. Seven-percent foreign loan of the Government Mortgage Bank—1927 (bonds payable in dinars)
24. Seven-percent international stabilization loan—1931 (bonds payable in dinars)
25. Bonds of the former Austro-Hungarian Monarchy in crowns and other currencies, issued prior to 1914, and stamped after 1918 by Yugoslav authorities. Also the receipts for such debentures and bonds if they were withdrawn by said authorities after stamping.
26. Bonds of regional loans of the former Austro-Hungarian Monarchy in crowns and other currencies which were issued by the former regional governments before 1914.
27. Treasury notes and government treasury notes of the Ministry of Finance.
28. Four-percent Crown Prince Rudolph loan of 1884 and 1893, and coupon 128 of the four and one-half percent bonds of the Austrian railroad loan of 1913, to the extent of the established participation of Yugoslavia in these Austro-Hungarian obligations.

The law applies to all of the securities described, irrespective of the citizenship and/or residence of the holder, and regardless of the present location of the securities.

## Reciprocity Principle in Air-Transport Agreements

### STATEMENT BY THE SECRETARY OF STATE

[Released to the press June 12]

Certain testimony before Congress in the past few days leads me to believe that there is a general lack of understanding concerning the reciprocal bilateral air-transport agreements entered into by the United States. These are agreements between sovereign nations. The other nations have the right to grant or deny to our international air carriers the right to fly into their countries. Likewise, the United States may deny or grant to foreign carriers the right to fly into the United States. As in all other fields of international activity, these rights are exchanged on a reciprocal basis, to the mutual benefit of the two nations concerned. This principle of reciprocity is as old as the concept of sovereignty. Reciprocity has long been an accepted doctrine in fact, and was proclaimed by Congress in the Air Commerce Act of 1926.

## American Traditions in Today's Foreign Policy

### ADDRESS BY UNDER SECRETARY ACHESON<sup>1</sup>

One of the splinters of inquiry which might be worth a footnote in a Ph.D. thesis is why people almost everywhere in the world like to take pot shots at the members of their foreign offices. Some of the reasons are pretty obvious and perhaps too embarrassing to delay me here. But in part they have to do with the vital stake which everyone has in the foreign relations of his country, and in part with the belief that these problems are easier than they are. At any rate one who has been on the receiving end of this pursuit for some years continually comes back to an observation of Senator Barkley on the floor of the Senate a year or so ago.

The Senator, then the majority leader, was confronted with criticism because he could not satisfy at once all the demands which several of his colleagues were making. He said that his attitude toward criticism was like that of the farmer's dog who used to go to town with his master. While the farmer was busy, small boys would catch the dog and tie tin cans to its tail. The dog got so used to this that whenever he saw a tin can he backed right up to it.

One who is bringing to an end a considerable period of service in the field of foreign affairs is naturally in a mood of appraisal and review. Have we conducted ourselves in the great world in these past six or seven years true to the traditions of our republic and to the interests of the American people? I am, of course, prejudiced, but the answer seems to me not difficult. I think it is: yes, we have.

To judge this answer, we have to ask, what are these traditions and these interests? They seem to me simple, even platitudinous. The basic, underlying, never-varying tradition of this republic is insistence upon the liberty of the individual, the worth of the individual, the ultimate test of truth by reference to the individual.

This has been our political, social, and moral mainspring. It has also been the motive power

of our vast development. By unleashing the enormous power of individual effort, imagination, energy, this country has attained its material position. It seems true in society, as in nature, that the greatest energy is created by releasing the power of the smallest unit. In one case, the individual; in the other case, the atom.

History and philosophy gave us this doctrine. Geography and experience have confirmed it. One of the great achievements of statesmanship in this country has been to adapt government to the furtherance of this release of the individual and not to its limitation and frustration. An outstanding illustration has been the way in which, under Mr. Lilienthal's guidance, a great governmental project, the TVA, has made power available over a vast area, not to be used by bureaucratic direction but vastly to enlarge the individual productiveness of millions of Americans.

This belief in the individual is in our blood. It is our most fundamental characteristic. It gives a certain typical disorderliness to our behavior which baffles some foreign observers. But it can no more be separated from us than our idea of humor, our generosity toward anyone in trouble, and our mobility—we are forever going somewhere. Even though this is so, we have no desire to force our behavior and ideas on other people. If, for reasons incomprehensible to us, they want to act differently and, to us, quite misguidedly, that is their affair. But we don't like them to push other peoples around, particularly when those other peoples are trying to live as we think all decent people should live.

With these traditions and interests the American people approach their relations with other countries. They have a sound and unshakable belief that liberty cannot exist here or anywhere,

<sup>1</sup> Delivered at the commencement exercises of Wesleyan University at Middletown, Conn., on June 15, 1947, and released to the press on the same date.



unless there is peace founded on freedom from aggression and unless there is ever-increasing productivity throughout the world. They know that while every people must attain and preserve their own liberty and free government, they can lose them from forces beyond their control when faced with fear of the attack of a foreign enemy, or with the loss of their means of livelihood.

This presents problems for those who work in our State Department. Americans want to be free and prosperous themselves. They want other people who wish to be free and prosperous to achieve those goals. But they sometimes believe that these ends can be reached by machinery, or gadgets, or through merely moral fervor, and without the pain of hard thinking, hard work, and some real risk and sacrifice.

Some, encouraged by eminent philosophers, have thought that liberty was the natural state of man and that its universal growth and acceptance was inevitable. I do not believe that for a minute. It seems to me that liberty has come to those whose stout hearts and hard heads have won it. Here, again, we must conclude with Justice Holmes that the mode by which the inevitable comes to pass is effort.

Certainly during the decade of the 1940's this country has devoted its supreme efforts toward the preservation of the liberty of nations and individuals. In the opening years of the decade we bent our efforts toward assisting those whom the Axis was attempting to subjugate, and toward impeding its bid to dominate the two most populous continents on the globe. This may have accelerated the attack upon us. But I think that few now doubt the necessity and rightness of our course, or the extreme danger in which any other course would have placed us. The war has now been won and the threats which caused it have been eliminated. But serious threats to the continued existence of liberty have not been eliminated. These come not only from the inevitable consequences of the war itself but also from the course pursued by certain governments.

During the war constructive foreign policy was not in abeyance. It followed two objectives closely related and mutually dependent—to establish the unity, mutual confidence, and cooperation of the great powers; and to create international organi-

zations, necessarily based on the assumption of this unity and cooperation, in which all nations could together guarantee both freedom from aggression and the opportunity for both the devastated and the undeveloped countries to regain and expand their productivity under institutions of their own free choice. These, as you have seen, were historic American objectives. They were also the stated purposes of the Allies throughout the war, beginning with the Atlantic Charter.

We did not pursue these objectives merely by exhortation or joint declaration and agreement. No people has ever given more tangible or extensive evidence of its good will and intention. Particularly is this true in our attitude toward the Soviet Union. One need mention only the most outstanding examples.

During the war we contributed to the Soviet Union 11½ billion dollars of the most vitally needed supplies. After the war, through UNRRA and governmental credits, we made available another half billion dollars' worth of goods for relief and reconstruction.

In our military operations we pursued purely military objectives. The cross-Channel invasion of Europe was directed solely toward the destruction of the German armies, not the occupation of territory. And when we overran our estimated and agreed objectives we withdrew to previously agreed zonal boundaries. These were acts, not words, based upon the premise of adherence to an agreement and of mutual confidence and loyalty.

Nor were these acts all. The whole series of arrangements for settlement in eastern Europe, Germany, and the Far East recognized to the full Soviet fears and interests, and were based upon confidence in their intention to carry out the pledged purposes of cooperation in Germany, respect for the rights of other nations to determine freely their own course of recovery and government, and the creation of a vigorous European and world recovery.

At the same time that these steps were being taken we pushed forward the establishment of international organization. This consisted not only of the United Nations Charter designed upon the foundation of Allied unity to guarantee international security, national liberty, and individual freedom, but of a whole series of special agencies which were to make sure that a favorable environ-



ment was created and maintained in which the broader purposes could be accomplished.

These were designed to provide relief in the early postwar period; to assure funds for reconstruction and development and to stabilize currencies over the longer run; to raise the level of agriculture both as the source of food and as the activity of most of the world's population; to promote and safeguard trade between nations; to protect the health of nations against epidemics; to facilitate the exchange of ideas, knowledge, and skills; to aid in the development of international transportation by air and sea—practically every activity which could encourage and make more safe, simple, and beneficial relations between nations.

Unhappily the whole course of recovery and the international pursuit of happiness has suffered deeply by the failure to attain or maintain great-power unity. This has come about by the Soviet Union's pursuit of policies diametrically opposed to the very premises of international accord and recovery. In eastern Europe the Soviet Union, over American and British protests, has used its dominant military position to carry on a unilateral policy, contrary to the Yalta agreements, by which free choice of their destiny has been denied those peoples. Even more important, the minority Communist regimes fastened upon those peoples have acted to cut them off economically from the community of Europe, curtail their productivity, and bind them to exclusive economic relations with the Soviet Union.

In the Far East the Soviet Union has dismantled the industries in Manchuria, has obstructed economic and political unification of Korea, and has not carried out its commitments for the return of Dairen to Chinese administration as a free port. These actions have seriously retarded economic recovery and political stability and have contributed vastly to a continuation of poverty and demoralizing uncertainty throughout the Far East.

In the Middle East Persia has been for some years in turmoil, first through Soviet occupation of its northern territories and then through Soviet-sponsored local attempts to separate those areas from Persia.

In Greece, torn and destroyed by the war beyond any other area, the incalculably difficult task of

rebuilding its plant, its production, its people's health and morale, and its governmental services has been threatened with total defeat by civil disturbances, aided, equipped, and protected by Greece's northern, Communist-controlled neighbors.

Similar disappointment has followed attempts to establish a just and sound peace. It is unnecessary to recount the weary course of the Italian and Balkan peace treaties from London to Moscow to Paris to New York, or to describe the substance of those negotiations. We can note without surprise the cynical and barefaced *coup d'état* in Hungary on the very eve of the Hungarian treaty's coming into effect. We note also, two years after Potsdam, that by reason of Soviet unwillingness we have not achieved German economic unification or written an Austrian treaty. As a result the recovery of Europe has been long delayed—tragically long.

This by no means exhausts the catalog, but it is enough to outline the difficulty and to indicate why it is that the United Nations, founded as I have said on the premise of great-power unity, has so often been unable to apply the principles set forth in its Charter and has instead had to furnish the forum for bitter, unprofitable, and inconclusive dialectics.

It would be quite wrong to leave the impression that the factors I have mentioned have been the sole cause of our present problems. It would have been serious enough that the great area east of the Stettin-Trieste line which contributed so much to Hitler's European economy has been exploited, disorganized, and cut off from western Europe. Nature and man have added other problems. Disasters do not come singly.

Two years of crop failures in Europe and one in the Far East, the most severe winter in half a century, which drained the meager coal supplies of England and Europe, and the inefficiency of the industrial plant, due to depreciation, failure of fuel and raw materials, lack of labor and many other causes—all of these have upset all calculations of recovery. Europe has had to use its resources of foreign money and credits, carefully husbanded to restore and improve equipment, merely to keep alive.

Billions of precious dollars saved for machinery, rails, locomotives, harbor equipment, and so forth,

have been spent for wheat and coal and the heavy shipping charges to carry them. Financially Europe is bleeding to death, and the period of shock and crisis will come next year. Nor will the crisis be purely European. We are today selling twice the value of goods which our customers can pay for with their sales to us. This is not merely true of stricken Europe, but of our nearest neighbors, Mexico and Canada. The loss of these sales will have, as it has had in the past, a profound repercussion throughout this land.

This is a depressing but not overdrawn report. The outlook, as Secretary Marshall has recently said, is serious. But it has been blacker within the past few years. The winter of 1941-42 was such a period. The dangers of those years were overcome by determination, by courage, and by endless effort. Today's problems can also be surmounted. Tragic as it is that we cannot achieve the whole promise which once seemed almost within our grasp, that is no excuse for not doing what we can. If our own power to help is limited, so is the power of others to impede. And upon our side are the great urges of individual spirits throughout the world to rebuild in some way and to push on to a better day.

We can do, and are doing, many things. We can expose for all to see the shams and frauds behind which peoples are deprived of their liberty by little groups supported by foreign power. The methods have not changed basically since the days of Maximilian in Mexico, merely improved in organization and brutality and propaganda techniques. But they dislike exposure, and it remains to be seen whether they can survive much longer than Maximilian did the withdrawal of the foreign bayonets.

We also can, and should, help within the limits of our capacity those who wish to help themselves. It was such an action that President Truman proposed to the Congress on March 12 in connection with Greece and Turkey and to which the Congress so overwhelmingly responded. This was not a novel proposal or an invitation to a crusade. It was typically and traditionally American.

This country has always responded to people struggling to attain or maintain their freedom. We have done so because it is important to us that they shall succeed. Sometimes we can do much, sometimes little, but the response is always there.

It was there in the case of Greece over a century ago and in the case of Hungary and Poland and Italy. It was there throughout the nineteenth century in the struggle of the Latin American states to obtain and keep their freedom from the encroachments of European powers. It underlay our efforts for decades to help China in her struggle against foreign subjugation.

So President Truman was acting and the Congress was acting in the truest and soundest American tradition. The case was an extreme one because Greece was near the abyss. But the principle was as old as our country. It is a sensible and hard-headed principle that where our help can be effective to enable people who are sincerely striving to remain free and to solve their own problems, that help will be given.

We should, and I hope will, continue to act in this way, not waiting for extreme crises to develop, not attempting to carry all the burdens of the world or to solve all its problems, but responding in a thoroughly realistic way to the proposals of those who are exhausting every possibility of their own efforts and powers of cooperation with others to maintain places where free men may remain free.

This, as I see it, has been the course of our foreign policy over these past few years. And it is our present course. It has not created the world of our dreams. But that is not our fault. It is the best course I know of, in the world as we find it, to preserve the possibility that a better world may some day eventuate. It is the best course to preserve all that we hold most valuable in life. It is a course that requires determination, intelligence, courage, and effort. It requires that Americans be made of good stuff.

"Citizens," said Milton, "it is of no small concern what manner of men ye be whether to acquire or to keep possession of your liberty."

## THE CONGRESS

Tenth Report to Congress on Operations of UNRRA: Message from the President of the United States transmitting the tenth quarterly report covering the operations of UNRRA. H. Doc. 254, 80th Cong., 1st sess. 41 pp.

Amending the Organic Act of Puerto Rico. H. Rept. 455, 80th Cong., 1st sess., To accompany H. R. 3309. 6 pp. [Favorable report.]

## Extension of Government Operation of Shipping Facilities

### STATEMENT BY THE SECRETARY OF STATE<sup>1</sup>

This Committee, I believe, is considering proposals to extend the Maritime Commission's authority to operate vessels after June 30 of this year and to extend the charter and sales authority of the Ship Sales Act.

I recognize the desirability of the Government's getting out of the ship-operating business as soon as possible, and that emphasis should be put on the disposal of vessels to both domestic and foreign operators in preference to either Government operation or the charter of Government vessels to private operators. There are, however, today a number of special problems of a temporary nature, arising out of the dislocations of the war, which make it necessary, in my opinion, for the Government to have the authority to operate and charter vessels in order to make available for use, with the maximum of flexibility, the tonnage absolutely necessary to meet urgent world needs. It is inconsistent for us to support programs for direct aid and financial assistance to foreign countries and then to tie our hands by lack of authority to use available shipping resources. When we make ships available either for sale or for use in foreign economic programs, we are saving the taxpayers' money by making most effective use of funds appropriated for such programs. Any limitations placed upon the availability of tonnage for world needs will only result in hampering the Government's efforts, to say nothing of possible serious consequences to shippers.

Under present circumstances it is not sound public policy to force the sale of vessels by prohibiting Government operation or charter to meet variable and uncertain demands of temporary and emergency programs. Such action would bring a rigidity into the supply side of the picture at a time when demand may be subject to wide fluctuations which cannot now be predicted.

The most urgent phase of the matter is the

extension of Maritime Commission operating authority in order to permit uninterrupted operation of tankers to avert a serious world-wide petroleum crisis. This Government's program of foreign assistance based upon commitments already approved by the Congress would be seriously affected by any cut in petroleum supplies in Europe in view of the existing fuel famine.

In addition to the tanker problem, it is equally important that the Maritime Commission have authority to either charter or operate dry-cargo vessels for a considerable period to meet the requirements of emergency programs, involving particularly the movement of coal and grain to Europe. Our ability to render help should not be hampered, in my opinion, by restrictions which prevent us from using surplus resources to assist countries which are sorely in need of such assistance.

It also appears urgently desirable for Congress to continue the authorization of the Maritime Commission to operate emergency passenger ships. These vessels are used for national interest traffic and the repatriation of American citizens, and their continued operation is necessary until adequate commercial facilities become available.

To sum up, what is needed at the present time is adequate authority to permit the effective use of the available shipping resources to assist in readjusting the dislocations arising out of the war and to facilitate the emergency movements which may be subject to considerable fluctuation and uncertainty during the next year or two. I hope Congress will see fit to provide the Maritime Commission with the authority necessary to assist in carrying out the programs which have been approved by Congress and our foreign economic policy.

<sup>1</sup> Made before the House of Representatives Committee on Merchant Marine and Fisheries on June 11, 1947, and released to the press on the same date.

## STATEMENT BY UNDER SECRETARY CLAYTON<sup>2</sup>

Before going into details I would like to emphasize one point made by Secretary Marshall. It is one which I have advocated consistently in connection with our whole postwar shipping problem: The objective of the Ship Sales Act is primarily to dispose of our surplus vessels to both domestic and foreign operators, and that objective should take precedence over the charter of vessels and direct Government operation. The problems which are before us today largely arise either because of the degree to which the demand for purchase of vessels has not been met or because of certain temporary programs which can only be met through charter or direct operations. It is my hope that efforts for the disposal of vessels will be intensified so as to minimize or even eliminate the problem of charter or Government operation in the shortest possible time.

With this general picture in mind, I would like first to refer to the urgent necessity for Congressional action to permit the continued operation of Government-owned tankers.

At the present time, U.S. Government-owned tankers constitute a quarter of the tanker tonnage in operation throughout the world. In the absence of appropriate legislative action by our Government, it will be necessary to withdraw these Government-owned tankers from operation on June 30. Since the world tanker fleet even now is no more than adequate to meet the demands upon it, such a step would precipitate a disastrous and wholly unnecessary shortage of petroleum products.

In addition to the vessels owned by the Government, another quarter of the world's operating tanker tonnage is made up of privately owned tankers operating under the United States flag. These vessels are adequate to meet our coastwise requirements but do not cover our import requirements. Nevertheless, tankers privately owned by

United States citizens and operated under the Panamanian flag could probably be counted upon in an emergency. Including these two groups, our privately owned tanker fleet would theoretically be adequate to meet our normal estimated domestic requirements but would provide no margin for exceptional contingencies. However, since some of the United States privately owned tankers are employed in foreign trade under long-term contractual arrangements, they would not be in a position to serve United States trades without considerable delay and possibly governmental requisition to force a cancellation of present commitments.

The disastrous consequences of an induced world shortage of tankers become fully apparent when the effect upon foreign countries is considered. The withdrawal from operation of a quarter of the world's operating fleet coupled with the restriction to U.S. coastwise and import trade of all U.S.-owned tankers would leave the rest of the world with less than two thirds of the tonnage required to meet its needs.

It is difficult to exaggerate the seriousness of the effect an interruption of petroleum shipments would have upon European and world recovery. Because of the critical shortage of coal, the European economy is more than ever dependent upon petroleum as its basic fuel, and an inadequate fuel supply is delaying European recovery more than any other single factor. British industry is still operating well below capacity as a result of last winter's coal crisis and the fear of its recurrence next winter. In the western zones of Germany, it is the shortage of coal that prevents the production of steel, chemicals, and consumers' goods from reaching even the restricted levels agreed upon at Potsdam. If a heavy cut in petroleum supplies is superimposed upon this situation, the progress of recovery throughout western Europe would be reversed and shortages of bunker fuel might well impede the imports of coal, food, and reconstruction materials. The repercussions of such measures would extend throughout the world. In order

<sup>2</sup> Made before the House of Representatives Committee on Merchant Marine and Fisheries on June 11, 1947, and released to the press on the same date.

to implement foreign-assistance commitments already approved by the Congress, we must assure the availability of ships to move fuel and fuel to move ships.

In the long run, the present and prospective shortage must be made good through the expansion of foreign-flag tanker fleets. In part this expansion is already taking place through new construction. Over 150 tankers are now under construction or on order abroad for foreign operators. This Government can greatly accelerate the expansion, to its own profit, by the sale of our surplus tankers. The Maritime Commission is just completing the transfer of 50 T-2 tankers to foreign owners. Within the last month the Secretary of the Navy has approved the transfer of 35 more, and approval of additional transfers is expected shortly. Completion of these arrangements would add over 275 vessels to present foreign-flag tanker fleets, or a carrying capacity roughly equal to that of the United States Government vessels now in operation.

However, the short-run problem still remains. Even if all applications for sale to foreign owners are approved by the Maritime Commission, foreign-flag fleets will be unable to meet foreign requirements until tankers under construction abroad come into service. The shortage of dollar exchange is an important factor limiting the ability of other countries to purchase all of the tankers that they might ultimately require and which will eventually be supplied through foreign construction.

Expeditions action by the Maritime Commission in the consummation of sales of tankers would greatly decrease the number of Government-owned tankers in operation during the next few months. As the tankers under construction abroad are delivered, the operation of Government-owned vessels can be proportionately curtailed.

A second problem to which I would like to refer is the necessity for Congressional action to permit the continued operation of Government-owned dry cargo and passenger vessels in order to deal with certain emergency situations, and also action to permit the Maritime Commission to continue to charter dry-cargo tonnage after December 31, 1947.

There is need to provide adequate authority to

use available shipping resources to meet exceptional requirements arising out of postwar dislocations. For example, the extension of general agency authority is necessary to permit continuance of the present emergency passenger traffic. Currently the Maritime Commission is operating some 12 emergency passenger ships (C-4 type troop transports slightly converted for passenger carrying) in the transport of urgent national-interest traffic in accordance with priorities determined by the Department of State, particularly in the repatriation of American citizens for which purpose substantial sums have been appropriated to the Department by the Congress. These ships also supply other urgent needs for passenger movement for which commercial facilities are presently inadequate. The need for continuing this operation of emergency passenger ships was thoroughly explored in public hearings by the Merchant Marine and Fisheries Committee of the House in connection with proposals to extend authority to the Coast Guard to waive normal regulations covering passenger ships, and that authority was extended.

Extension of Maritime Commission authority to operate ships under general agency agreements beyond June 30 is essential in order to avoid an abrupt cessation of passenger services in the midst of the heaviest traffic season, without any present means of substituting other services.

The need for extension of Maritime Commission authority to operate dry-cargo vessels beyond June 30 is not particularly urgent, so long as the authority to charter or sell vessels is continued beyond December 31, 1947. Most of the chartered dry-cargo vessels are employed in the coal and grain trade, principally to Europe. This is a most vital and essential program, and under no circumstances should it be interrupted. It is, furthermore, an emergency program of limited duration and one which will diminish at a rapid rate when European reconstruction becomes firmly established. It is, however, unlikely that these movements will disappear within the next two years. It is the temporary nature of the demand for ships for these programs which leads me to believe it would not be sound to terminate the Commission's authority to charter or sell these vessels on December 31 on the assumption that operators should buy rather than charter. The artificial world-shipping shortage which would be the likely

result of the existing provisions of the Ship Sales Act by preventing the sale or charter of ships owned by the Maritime Commission after December 31 of this year would create a world shipping crisis and impede, if not actually prevent, the carrying out of our efforts to improve world economic conditions.

In view of these considerations I wish to en-

dorse Secretary Marshall's request that urgent action be taken by this Committee to secure the adoption of legislation permitting the maximum flexibility in the use of our shipping resources by extending the Maritime Commission's authority to operate vessels and by amending the Ship Sales Act of 1946 to authorize the Maritime Commission to sell and charter tonnage after December 31.

## Position on House Version of Wool Bill <sup>1</sup>

### STATEMENT BY THE SECRETARY OF STATE

I am disappointed in the reported action of the Senate and House Conferees with respect to the Wool Bill. I am making public my letter to the

Conferees together with the telegram from Mr. Stimson and the letter from Mr. Hull referred to therein.

### LETTER FROM THE SECRETARY OF STATE TO SENATOR AIKEN

*June 4, 1947.*

MY DEAR SENATOR AIKEN: I wish to express appreciation to the Senate and House Conferees in hearing the Under Secretary of State for Economic Affairs with respect to pending legislation on wool. I am sure Mr. Clayton made clear the serious issues involved from the point of view of our foreign policy. However, I wish to summarize the position of the Department of State in this matter.

The Senate bill directs the Commodity Credit Corporation to continue until December 31, 1948, to support a price to domestic producers of wool at the same price at which it purchased domestic wool in 1946. It authorizes the Commodity Credit Corporation to dispose of wool owned by it at market prices.

The House added to this bill a provision intended to result in an increase in the high tariff on wool, and thus enable the Government to give this support to domestic wool producers without financial loss to this Government. The cost of such support would thus be passed on to the consumers of woollen goods.

The critical importance of this action, as it bears on our foreign relations, arises from the fact that there is in progress at this very time in Geneva, an International Conference on Trade and Employ-

ment called by the United Nations *on the initiative* of this country. The United States delegation, of which Mr. Clayton is Chairman, is taking a leading part in this Conference.

The object of the Conference is to negotiate reciprocal trade agreements for the reduction of barriers and the elimination of discriminations in international trade. A further object is to agree upon a draft of a charter for an International Trade Organization to be set up under the Economic and Social Council of the United Nations.

Some 50 or 60 negotiations are actually taking place between the different countries represented at this Conference, and it is expected that eventually some 70 or 80 agreements will be entered into. The participation of the United States in this aspect of the proceedings derives from the Reciprocal Trade Agreements Act last extended by Congress in 1945.

While wool constitutes a relatively small part of our domestic economy, being only 1/2 of 1% of agricultural income, it is a highly important commodity in other countries. For example, it forms 90% of the value of all of the exports of Australia to the United States.

The question here is whether the best interests of the United States will be served by the passage of the Senate Wool Bill which affords protection to the domestic wool producers at a relatively

<sup>1</sup> Released to the press on June 12.

small cost to the United States Treasury, or by the adoption of the House version of the Bill which would provide this protection by further raising barriers to international trade. The Department of State is strongly of the opinion that the Senate Bill provides the only acceptable course of action open to us not wholly inconsistent with our current efforts to remove the cause of serious conflicts in the world economic field.

I am taking the liberty of passing on to you

herewith the views on this subject of our most distinguished elder statesmen—Mr. Stimson and Mr. Hull.

Faithfully yours,

G. C. MARSHALL

Enclosures:

Letter to Secretary Marshall from Honorable Cordell Hull dated June 4, 1947.

Copy of telegram to Secretary Marshall from Honorable H. L. Stimson dated June 4, 1947.

## LETTER TO THE SECRETARY OF STATE FROM CORDELL HULL<sup>2</sup>

BETHESDA, MARYLAND, *June 4, 1947*

MY DEAR SECRETARY MARSHALL: I have been very disturbed to learn of Mr. Clayton's return from Geneva in connection with the possibility of action by the Congress intended to increase the tariff on wool. I believe that such action would seriously endanger the success of the negotiations now going on in Geneva for the reduction of trade barriers under the Reciprocal Trade Agreements Act, and for the establishment of an international trade organization, embodying the basic principles of mutually beneficial international economic relations for which we have striven so long.

After more than a decade of successful operation under the Reciprocal Trade Agreements Act, and at a time when the principal trading nations of the world are prepared to follow our lead in carrying out a program of economic disarmament, it would be tragic indeed if any action of ours should endanger that program.

I do not wish to pass judgment on whether or not the growers of wool in this country are entitled to additional assistance. That is for the Congress to decide. I do feel very strongly, however, that such assistance, if given, should not be in a form which would preclude or nullify the comprehensive negotiations in which we are now engaged with other countries for the reciprocal reduction of tariffs and other trade barriers. The success of these negotiations is indispensable to our own economic stability and prosperity, and for the creation of a climate favorable to the preservation of world peace.

The form in which domestic wool producers receive price support must not jeopardize our international relations. As the President said in his address at Waco, Texas, on March 6: "The negotiations at Geneva must not fail."

Faithfully yours,

CORDELL HULL

## TELEGRAM TO THE SECRETARY OF STATE FROM HENRY L. STIMSON<sup>3</sup>

*June 4, 1947.*

DEAR MR. SECRETARY: I am deeply concerned regarding the pending wool legislation in Congress. In the form proposed by the House of Representatives, this legislation would increase the tariff on wool.

It is my considered opinion that to enact the House measure at any time would be most unwise. It would amount to a repudiation of the whole structure of American economic policy developed in the Congress and the State Department during the fifteen years since Cordell Hull began his great

work for trade agreements. And such repudiation now, when American leadership has been so largely responsible for the Conference on World Trade at present proceeding in Geneva, could not fail to have serious and immediate international effect, both economic and political. To other nations now watching for proof of American sincerity and unity it would be a shocking indication that the

<sup>2</sup> Secretary of State from Mar. 4, 1933, to Nov. 29, 1944.

<sup>3</sup> Secretary of State from Mar. 5, 1929, to Mar. 4, 1933, and Secretary of War from July 1940 to September 1945.

policy of the United States can at any time be shackled by the sort of economic shortsightedness for which all the world has paid so dearly in recent years.

After World War I, the American people and others executed an economic and political retreat from world affairs. These policies were in large part responsible for the great economic breakdown which followed both here and in Europe. Now we are engaged in an effort to reconstruct a world shattered by the war which grew out of that economic breakdown. In this effort of reconstruction greater freedom of world trade is indispensable. No such freedom can be achieved if this country retreats behind tariff walls higher than ever.

To enact any provision raising the wool tariff would be a clear first step toward the disastrous repetition of our former error. If the Congress should determine that the price of wool must be supported, a question on which I do not here offer any judgment, it can accomplish this purpose at relatively small cost by employing the method of subsidies contained in the Senate bill. But to support these prices by raising the tariff on wool would be to give financial assistance to a few at the cost of a large share of this nation's hope for world prosperity and peace.

Very sincerely yours,

HENRY L. STIMSON

## The People's Stake in Maintaining Peace

BY BENJAMIN V. COHEN<sup>1</sup>

We are now engaged in a struggle for peace. But we are only beginning to appreciate the efforts and sacrifices that will be required. Peace in a free world requires more than good intentions. Peace, no less than war, requires courageous action.

We alone did not win the war. But the war could not have been won if we had not organized ourselves and our resources to win it—if we had not used our brains, our talents, our skills, our treasure, and all our strength to win it.

We alone cannot win the peace. But if we are going to do our part to win it, we must devote ourselves to the organization of peace as fully as we devoted ourselves to winning the war. Winning the peace may be in many ways more difficult than winning the war. But it is the task of our generation to win it.

We cannot afford defeatism about the peace any more than we could afford defeatism about the war. It took the Allies nearly six years to win the war after it had started in Europe in 1939. During the first three years it looked very much as

if our side was losing. It took us in the United States a long time to realize how real was the danger that our side might lose the war, and how great our efforts would have to be if our enemies were to be defeated.

We are now only beginning to realize how difficult is the task of organizing peace under law and how great and continuing our efforts must be to achieve it. That is no reason for us to despair of success and to abandon our efforts. That is reason for us to quicken and redouble our efforts.

In his last message on the state of the Union, President Roosevelt warned us:

"Perfectionism, no less than isolationism or imperialism or power politics, may obstruct the paths to international peace. Let us not forget that the retreat to isolationism a quarter of a century ago was started not by a direct attack against international cooperation, but against the alleged imperfection of the peace.

"In our disillusionment after the last war, we preferred international anarchy to international cooperation with nations which did not see and think exactly as we did. We gave up the hope of gradually achieving a better peace because we had

<sup>1</sup> Address delivered before the National Convention of the U.S. Junior Chamber of Commerce at Long Beach, Calif., on June 12, 1947, and released to the press on the same date. Mr. Cohen is Counselor, Department of State.



not the courage to fulfil our responsibilities in an admittedly imperfect world.

"We must not let that happen again, or we shall follow the same tragic road again—the road to a third world war.

"We can fulfil our responsibilities for maintaining the security of our own country only by exercising our power and our influence to achieve the principles in which we believe and for which we have fought."

We cannot fulfil those responsibilities by withdrawing from the world in protest. Nor can we fulfil those responsibilities by yielding up our own freedom or expecting other people to yield up their freedom for our peace. Peace without freedom is not peace but tyranny.

How then can we most effectively exercise our power and influence to fulfil our responsibilities to ourselves and to the world and strengthen the cause of peace in this imperfect world?

There are no simple, easy answers to this question. I will only suggest two avenues of approach which should be helpful.

In the first place, we can and must make it clear that we ourselves intend to live by the Charter of the United Nations and that we will exercise all our power and influence to see that other nations, large and small, live by the Charter.

In the second place, we can and must exert ourselves to help those countries whose economies have been shattered by the war to become again economically self-supporting. For only if the war-wrecked countries of the world are restored to health will their people feel that they have a stake in a peaceful world of law that is worth defending.

The Charter of the United Nations expresses the common hope of the peoples of this world for enduring peace based on law. Because the Charter is cherished by the peoples of the world it cannot be completely ignored by any government that may find itself in power in any country. That is an impelling reason why we must hold to the Charter, defend it, live by it, and build upon it.

The principles of the Charter are not, however, self-enforcing. There is no self-operating mechanism which can be devised to give the world peace under law. There is no voting machine which can reflect with unerring accuracy world opinion or

which can yield an incontestably right answer to every perplexing world problem.

The Charter of the United Nations, like the Constitution of the United States, was constructed, as it had to be constructed, on the basis of compromise. Its future depends not upon its lettered provisions, but upon the moral and material support which the nations of the world give to it and the extent to which they live by it.

President Truman has pledged that "the United States will support the United Nations with all the resources we possess." If we keep that pledge and if other law-abiding nations likewise support the United Nations, the Charter will live and grow.

As our Constitution provides the basic law of our land, so the Charter of the United Nations provides the basic law of nations. The law the Charter provides may be incomplete, but it does strike without equivocation at the use of force in any manner contrary to its purposes.

Unfortunately much of the discussion of the unanimity rule and the veto has blurred and obscured this basic and all-important fact.

Under the Charter, all members of the United Nations, large states as well as small states, pledge themselves to refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state or in any other manner inconsistent with the purposes of the Charter.

Under the Charter, all members of the United Nations, large states as well as small states, pledge themselves to settle their international disputes by peaceful means, in such manner that international peace and security and justice are not endangered.

As our Representative to the United Nations, Senator Austin, has said, "These sweeping and binding commitments are not limited by the power of veto in the Security Council. The veto does not legalize any violations of these commitments. They are the law." As President Truman has said, "every member of the United Nations is legally and morally bound by the Charter to keep the peace."

The General Assembly has also affirmed the principles of international law recognized by the statute of the Nürnberg Tribunal and the judgment of that Tribunal which make the planning or waging of a war of aggression a crime against

humanity for which individuals as well as nations are responsible.

It is true that unless the permanent members of the Security Council are agreed that there has been a violation of the Charter, no state is bound to act simply because a certain number of states believe that there has been a violation. But in case of clear aggression no state has the moral right to stand mute. In case of clear aggression, all law abiding states have the right and are under a moral duty to defend the Charter.

Magna Carta had no elaborate machinery to insure its enforcement. The Constitution of the United States had no clauses dealing with what should happen in the event that states attempted to secede. The principles of the Magna Carta survived and the Constitution survived, because the people were determined that they should live. We must make it clear that we are determined that the law of the United Nations shall prevail and that we are prepared to use our power and our resources, veto or no veto, to defend the basic law of the Charter.

I think it is clear that respect for the purposes and principles of the Charter includes respect for present power relationships. As former Secretary of State Byrnes has said:

"The present power relationships of the great states preclude the domination of the world by any one of them. Those power relationships cannot be substantially altered by the unilateral action of any one great state without profoundly disturbing the whole structure of the United Nations.

"The great states are given special responsibility under the Charter because they have the military strength to maintain peace if they have the will to maintain peace. Their strength in relation to one another is such that no one of them can safely break the peace if the others stand united in defense of the Charter."

If we want peace in the world, and we cannot have peace in the world without some law in the world, we must realize and make others realize that delicate and sensitive power relationships cannot be undermined by unilateral action through force, coercion, or more subtle forms of pressure and penetration.

That does not mean that we oppose, and that the Charter of the United Nations forbids, all change in the external relations of states.

We believe in progress and in freedom. We are not defenders of privilege or of the dead hand of reaction.

The Charter of the United Nations permits and encourages free and friendly negotiations between states and provides means, particularly in article 11, for the concrete expression of world opinion on the need for peaceful change.

There will be no need for peaceful change. The world does not stand still. But no nation or group of nations has the right to impose by force or threat of force its political or economic system or way of life upon other nations. No state has a right to wage a war of nerves against another state or seek through devious devices of infiltration and penetration to control or undermine its government and to destroy the freedom and dignity and basic rights of its people.

War inevitably brings changes in power relationships among the great states. Doubt and uncertainty as to the consequences of these changes generally create uneasiness and fear among the victors as well as the vanquished. That is why it is vitally important that there should be no further unilateral action to disturb established power relations by force or coercion.

Uneasiness and fear in the world can only be increased if the world is divided among a few great states, each dominating satellite states. A contest for satellites is not a struggle for peace. It is a struggle for power. And it can only lead toward war. We do not want to force the smaller states, or the less powerful of the great states, to choose their guardian state or to have their guardian states chosen for them. Friendship among states, like friendship among individuals, should not exclude friendships with others. We want to live in a world where power is diffused and freedom under the law of nations is the right of every state.

The aim of the policy of the United States is not to engage in a struggle for power over other states and other peoples, but to help states and peoples to regain and rebuild their political independence and economic health. It is for that purpose, and not for the purpose of bringing them within the orbit of our power, that we are extending help to Greece and Turkey. We could

not leave them economically weak and defenseless against a continuing war of nerves. Had we not placed ourselves in the position to continue and supplement the assistance that the British Government had been furnishing these countries, there would have been grave danger that the war of nerves being conducted against these countries would have been intensified in the false belief that we would not act in defense of the rights of these countries under the Charter of the United Nations.

We are engaged, not in a struggle for power, but in a struggle for the supremacy of law. We must not slacken in our efforts to maintain the law of the Charter. For only under law can peace endure.

While we must remain strong and ready to defend the law of the Charter, we must not ourselves fall victim to the belief in the inevitability of conflict. There is and has been room in this world for different ways of life. War is inevitable only if people fail to tolerate and respect ways of life that they cannot share.

None of us is wise enough to predict the future, but we should be slow to judge the future by the conditions that now prevail in this terribly sick world. In the immediate aftermath of war there is a tendency to think too much in terms of military power and too little in terms of economic need.

That brings me to my second point. It is not enough for us to take our stand for law and peace. We must do our part to make the peoples whose social and economic life has been shattered by the war, feel that they too have a worth-while stake in law and peace.

Peace is not merely a truce between wars. If we want peace, we must deal with the causes of unrest in the world and not merely their symptoms. It is economic distress, hunger, sickness, and hopelessness that breed political unrest and make men the prey of warring ideologies and rival tyrannies. People want freedom and law, but they must have food, shelter, and clothes. We have often said glibly that the last war was the most devastating war in all history. But we are only beginning to realize how completely it has shattered the economies of Europe and how difficult it has made the resumption of normal living.

Europe is not the only part of the world that is in need, but time compels me to confine my re-

marks to Europe whose economic recovery is vitally important to the economic health, peace, and security of the whole world.

If we want a free Europe—and it is hard to see how we can have a peaceful world without a free Europe—we must urgently consider what can be done to put Europe back on her feet economically, what can be done to help Europe to become again self-supporting.

We must, I think, face the fact that our programs for economic aid to Europe, large as they have been, are going to be clearly insufficient to enable Europe to get back on her feet.

Our previous programs underestimated the ravages done to the European economy, the time which would be taken to restore its effective functioning, the substantial rise in the costs of American exports, and other factors.

In 1946 we exported to the rest of the world about 15 billion dollars of goods and services. This is more than twice as great in value as the goods and services we are importing from the rest of the world. In 1946, six billion dollars of these exports were financed directly or indirectly by loans and grants in aid by the United States Government. Existing authorizations cannot possibly enable the flow of needed exports to continue at the extraordinary rate of the first quarter of this year, a level of more than 19 billion dollars a year. Some leveling off of this extraordinary rate of exports is inevitable. But unless substantial additional financing is forthcoming the decline could assume proportions which would aggravate misery abroad and increase the possibility of recession at home.

Those who have been studying Europe's rudimentary rehabilitation needs tell us that Europe, including Great Britain, may require as much as five or six billion dollars a year for another three or four years to meet those needs.

Unless Europe can secure adequate assistance it may be difficult for some European countries to avoid political unrest and political instability, and the danger of dictatorships. People long tired, cold, hungry, and impoverished are not wont to examine critically the credentials of those promising them food, shelter, and clothes. And dictators, knowing that they intend to hold power if they can get it, will play the right side or the left side and sometimes both sides to get and keep power.

Our interest is in a free Europe. The way to keep Europe free is to restore the war-shattered foundations of the closely interrelated and interdependent European economies and to give the European peoples renewed confidence in themselves, hope in their future, and a genuine stake in peace and law.

At the close of the war many of the liberated countries of Europe were not concerned with the revival of the German economy. And while the liberated countries do not now want German economic revival to have priority over their own revival, they have come to learn that the extremely low level of productivity of the German economy is hampering and not helping the revival of Europe. Europe needs German products and German markets. In fact, coal from the Ruhr is one of the keys to European recovery.

As the liberated countries are learning that they have an interest in the peaceful economic revival of Germany, so we must learn that we have a definite economic as well as political interest in the economic revival of Europe as a whole. Europe's economic recovery is as important to the economic health of a peaceful world as Germany's economic recovery is to the economic health of Europe.

To cut Europe adrift and to compel her in her misery to shift for herself during the next few years would be a body blow to security, political stability, and economic progress the world over. The loss of European markets would not only cause serious and painful readjustments in our own country, but would have repercussions all over the world.

Economic help to revive war-shattered Europe will be costly. But the withholding of economic help would also be costly—not only in economic consequences but in social and political consequences.

The more important problem in many ways is not whether Europe should be helped but how Europe should be helped. After the First World War we thought we were pursuing a policy of fairly prompt retrenchment on European aid and the gradual retirement of the war debts. It turned out, however, that we aided Europe substantially and not altogether wisely.

The problem of Europe's rehabilitation is much more serious now and we should try to think it through more clearly. After the First World War we were more concerned with questions of

money repayment and money interest than we were with the question of the effectiveness of our aid in producing sound and healthy economic conditions throughout the world.

If we are to assist in intelligent programs of economic aid for Europe, our first and primary objective should be to assist programs that will rebuild a self-supporting European economy. Until the European economy does become self-supporting it is difficult to see how Europe can make substantial payment of capital or interest except as she borrows from or puts off payment to Peter in order to pay Paul. And we must not forget that unless we wish to subsidize heavily our future foreign trade, we can over the long term be repaid only in goods and services which we are willing to accept and in investments which we are willing to hold in foreign countries. If we wish to preserve over the long term our economic position in the world, we must build up and replenish the resource base upon which the continuance of our productivity and prosperity depends.

In as much as the economies of the individual European states are closely interrelated, priority in economic aid should be given to programs which will serve to revive the European economy as a whole. Particular consideration should be given to projects which will serve to remove economic bottlenecks which obstruct the efforts of European states to increase their trade and production. For example, whatever we can do to help increase coal production and facilitate its transport would have a stimulating effect upon the economy of nearly every European country.

Even with our large food exports to Europe there is an acute shortage of food through Europe. A project to increase over-all European food production by the supply of fertilizer, seed, and farm machinery could have its effects throughout Europe.

Trade between European countries has been hampered and has become largely a matter of barter because they have no confidence in one another's currency. Possibly a project could be devised to finance trade between European countries which would have a stimulating effect upon trade and production throughout Europe.

We should consider our help to Europe and other countries not merely in terms of dollars but in terms of production and goods for which the dollars are to be used. We must not permit our

economy to be inflated or distorted to the point that our own economic health is impaired. We cannot hope to be able effectively to help create economic stability in a free world unless we can keep our own economic house in order. Our productivity and resourcefulness, which won the war, will be equally necessary to win the peace.

The task of helping to rebuild a war-wrecked

world is a heavy task. But it is a challenging task. We were not daunted by the heavy tasks of war. If we want peace, we must not flinch before the tasks of peace. If we want a free, peaceful, law-abiding world, we must see that the peoples of this world have a stake in the peace and have the vitality, strength, and will to maintain peace and freedom under law.

## The Future of Foreign Trade

BY ASSISTANT SECRETARY THORP<sup>1</sup>

I doubt if there ever was a time when advance planning for the world was done on as grand a scale as that by the American Government for the international problems of the postwar period. As is inevitable in any planning for the future, some of the assumptions have not proved to be correct and certain unpredictable and fortuitous factors have appeared. It is still too early to know how many of the hopes implied in the early prospectus will be fully realized. But the fact remains that a magnificent job was done, and as Americans we should take great pride in the leadership provided in that critical period.

The United Nations is now a going concern and can give us all hope that a way has been found to maintain peace on earth. The advance planning in the political field has served its original purpose and a fresh approach to the problem of dealing with international problems and controversies has been initiated. We must now pass on to the difficult stage of developing and strengthening the new institution to accomplish its high purposes. At least, the possibility is present at last of dealing with problems of international importance in an orderly and organized fashion.

In the economic field there was also a plan, fashioned to meet the difficult postwar period. Well before the end of the war, the concept of lend-lease had been established, thus doing away with one of the great obstacles to any postwar recovery. Occasionally men do learn from experience, and this was a clear lesson from the last war. Under this approach the burdens of war costs on our allies, excluding items of postwar civilian use, were not to necessitate huge payment transfers from them to the United States in the postwar period—

transfers which they clearly are not able to make and we are not eager to receive. There were to be no inter-Allied debts whereby other countries paid the United States for the material aid provided for war purposes. This lend-lease settlement policy was a great step forward towards economic recovery.

Under the postwar economic plan, four important international institutions were to be established—two to bring about economic recovery and two to provide a basis for a more abundant life in the future. The first institution was UNRRA, established to provide relief on a non-reimbursable basis to the citizens of countries which could not themselves provide the basic necessities of life and which did not have adequate resources with which to purchase them abroad. Its purpose was essentially to maintain life, although it did distribute some basic rehabilitation items like tractors and sewing machines. It also assisted in the repair of railroads, bridges, and the like, without which even relief supplies could not be distributed within the countries involved, and in the restoration of other equally essential facilities. However, it was primarily a relief organization with food the chief element in its program.

The second new institution was to be the International Bank for Reconstruction and Development. One of its functions was to provide credits to repair the extraordinary damage done by the war. It was obvious that the destruction was tremendous. In fact, destruction is the objective

<sup>1</sup> Delivered before the American Marketing Association at New York on June 12, 1947, and released to the press on the same date. Mr. Thorp is Assistant Secretary of State for economic affairs.

of global war, where the effort is not directed exclusively at the military forces of the enemy but at the whole fabric of production and transportation by which the military is supported. The Bank would make long-term loans for rebuilding factories, harbors, railroads, and the like. The facilities of the Bank were to be available, of course, not solely to the war-devastated countries but also would be used for development purposes in other countries. On the basis of resources and guaranties of all member countries, it would, as an international agency, tap various sources of investment and give reconstruction and development credits to governments and to government-sponsored borrowers.

These two organizations, UNRRA and the Bank, were thus to deal with the financial needs of the war-devastated countries during the early postwar period—the first meeting the relief needs in insolvent situations and the second providing credits which might be transformed into the physical capital needed to recover from the devastation of global war and to encourage economic progress in underdeveloped areas. It was, of course, the hope that private investment would resume its historic role once the critical period had been passed.

The two remaining institutions, the International Monetary Fund and the International Trade Organization, were to assure a living and expanding pattern for the new postwar world. It was clearly recognized that they could not function with full effectiveness at once, but would increase in significance as recovery brought the economic situation more nearly into balance. The first was to offer some assurance that currencies would be convertible and to provide a means of stabilizing currencies and to do away with discriminatory financial arrangements, thus reducing the monetary hazard in the exchange of goods across national boundaries. The second was to deal with the problem of reducing public and private barriers to trade and to abolish trade discriminations. This was planning for the long run rather than the immediate postwar period. These institutions rested on the conviction that, in a world with currencies and commodities readily exchangeable, foreign trade would expand, the goal of easy access to materials and markets would be achieved, and we could all benefit from a more

efficient use than ever before of the world's resources—men, machines, and raw materials.

These four institutions provided the framework for the postwar economic plan. It was a revolutionary plan. It established international responsibilities where they had never existed before, and it still is the framework within which we must hope that a better future can be achieved—but it is now two years since the end of the war and the hoped-for economic recovery of the world has not yet been accomplished. It is not even just around the corner. In too many countries people are still at or below the subsistence level. Commodities of all types are still in short supply. Prewar production figures still look like distant goals. And the spirit of man in many areas is not one of excited and enthusiastic recovery with high hopes ahead, but of weariness, hunger, and dismay. This is evident not merely in the economic field but in the political field as well. Men who go to bed hungry are not too critical of those who make glittering promises, and wide swings of political emotion seem to be somehow related to economic misery.

A first superficial explanation of the gloomy economic picture might be that the failure lies in the fact that the international institutions themselves were too slow in getting under way. That certainly cannot be said of UNRRA. In fact, its full and active life is nearly over. It was ready to function as soon as the military operations ceased, and for two years it has provided relief at close to the limit of available supplies. Thousands of people are alive today who would have died without its help. On the other hand, the International Bank, scheduled to carry the brunt of the reconstruction, made its first loan early in May of this year. Its organization problems were many, and consequently it has been a minor factor in the picture up to the present. The Fund is only beginning to function, and the Trade Organization is not yet organized, but neither of these institutions was designed to be a major contributor to immediate recovery.

However, the delay in the operation of the Bank cannot be the explanation of the delay in recovery because various individual governments, particularly that of the United States, stepped into the breach. In addition to participation in the international institutions, the United States has committed itself to foreign grants and loans totaling

about 13 billion dollars. Of this amount, close to 9 billion dollars has already been spent. Other countries, like Canada, also extended credits to less fortunate countries to help them over the critical period.

This total figure of 13 billion dollars is the sum total of a number of different operations. It includes loans made by the Export-Import Bank and the loan to the United Kingdom specifically authorized by Congress. It includes the dollar credits representing far greater amounts of goods on a cost basis, transferred in the form of the post-war lend-lease civilian goods pipeline, as surplus property, and as sales of merchant ships. It includes civilian supplies distributed in the occupied areas and special assistance to the Philippine Republic and to China. While these operations are recorded in dollar terms, in actual fact they represent almost entirely commodities and services made available by the United States to the economies of other countries.

Nevertheless, in spite of this volume of credits and grants the critical period continues. It appears that the problem was more than one of providing bare subsistence and of replacing machines and mortar. The economies were disrupted and disorganized. Not merely fixed capital but working capital was absent. And the great shortage of goods was itself a deterrent whose effects were felt everywhere. Absence of goods in the market place removed the incentive to produce for the market. What could the farmer buy who brought his goods to the city? Why should the coal miner work six days if he could buy his allowed ration with three days' work? Better that he stay home and repair his house or, even better, travel to his cousin on a farm to get some additional food. The shortage of food and the shortage of coal set the limit on the possibility of recovery, and other bottlenecks at various points keep emerging from the postwar disorganization.

The situation is full of vicious circles. The shortage of goods in foreign countries greatly limits the possibility of their exporting goods—a process so necessary for the obtaining of materials and finished products by countries which cannot possibly be fully self-sufficient. Their need is for imports, but the normal processes for obtaining imports are restricted by the absence of goods to export.

To be sure, the situation is better than that of two years ago. People are alive who could not have survived without outside aid. And bridges have been rebuilt; railroads are functioning; traffic is able to move on the rivers; more people have roofs over their heads; and many factories are at least in part able to produce when the necessary ingredients for production are at hand. But it is not the recovery which had been devoutly hoped. It is still a grim picture with dark overtones.

We should feel thankful but not gratified to compare this picture with that of the United States. Our capacity to produce is greater than ever before, and we have been producing at record levels. To be sure, a substantial part of that production has gone to foreign markets. However, when compared to total production the percentage is not greater than our volume of exports of the past, for both are at record high levels.

In substantial measure, therefore, American production has been supporting the economies in other countries. In 1946 our exports of commodities and services were steadily increasing and totaled almost 15 billion dollars for the year. The total for the first three months of 1947 was 4.9 billion dollars, or an annual rate of nearly 20 billion dollars.

This is a tremendous amount. In the month of May, for example, we sent 427 ships to Europe loaded with coal—about 3,800,000 tons. Without this specific aid the European economy would virtually collapse, for its own coal production is far below prewar levels. Similarly, shipments of wheat and flour have required a tremendous fleet to keep the flow of food to the various countries of the world at levels far above those of earlier years.

To the American businessman and the farmer, the foreign market has been booming. There is no question about the need on the part of the purchasers. But the significant part is that it has been to a large degree a supported market—supported by the American Government. As far as the individual businessman is concerned, the situation, on a much smaller scale, resembles the activity of the war period when the Government provided him with a market. The present foreign market is likewise in large part the creation of the United States Government.

To be more specific, in 1946, according to the



estimates of the Department of Commerce, we sent abroad about 15 billion dollars of goods and services. During the same period we imported about 7 billion dollars of goods and services. That left 8 billion dollars still to be paid for. Of this deficit, 2 billion dollars was paid for by gold or other assets belonging to foreign countries. The remaining 6 billion dollars is the measure of U.S. aid—about half in the form of grants and half in the form of loans. As far as the individual businessman or shipping man was concerned, he received full payment. However, in the last analysis about two fifths of the settlement was with funds originating in the U.S. Treasury.

This 15 billion dollar record summarizes the 1946 picture of the exports of goods and services from the United States to all the rest of the world. As I have said, imports were much less, leaving a substantial gap. Slightly more than two thirds of the total gap between commodity exports and imports arose from our trade with Europe. In the prewar years, our shipments to Europe exceeded our purchases by close to half a billion dollars per year but, as compared with prewar, our exports to Europe today have increased far more than imports from there. For the rest of the world, where our exports and imports used to be approximately equal, today there is a substantial excess of American exports over imports. Thus, while the European economic situation is undoubtedly more critical, the same general problem appears in the balance of payments everywhere. And even the Far East, which used to be a substantial net supplier, has also shifted to a deficit position.

The situation in recent months is even more out of balance. Using the rate recorded in the first quarter of 1947, the annual rate of exports is about 20 billion dollars. Against that can be set 8 billion dollars of imports. At the first quarter's rate, the projected year's payment made by assets of foreign countries would be 4 billion dollars and the balance, which would have to be filled by grants or credits, about 8 billion dollars. There were special factors in the first quarter which make it doubtful as to whether it will be typical of the entire year. Perhaps the 1946 gap of 6 billion dollars is more realistic as a forecast for 1947. However, that rests on the assumption that there will be no major adjustments in other items in the trade balance.

Of course, the balance of exports and imports, including the so-called invisible items, may be

achieved by adjustments in any of the items, so the various elements should be reviewed. It is highly improbable that commodity imports to the United States can be greatly increased in the immediate future. In a world of shortages in other countries this is difficult to accomplish. To be sure, as the raw material areas of the Far East resume their activity, there can be further advances, and as the more industrialized countries resume their specialty production, shipments to the United States may increase. However, this is a slow process and probably will be timed along with the general recovery rate of the rest of the world.

As to the gold or other liquid foreign assets available for use as payment, these resources are decidedly limited in amount and are held in large part in countries where the pressure of an unfavorable balance is not so great—countries like Switzerland. Nor can they be used to any great extent without jeopardizing the currencies against which they act as a reserve. The possibility of something like the figure of 4 billion dollars in 1947 from this source is therefore very doubtful and certainly cannot be repeated for several years in the future.

Consequently the situation narrows down to a very specific alternative. Either the rate of American exports to other countries must be reduced or the payments gap must be filled by credits or grants. Of course these are not mutually exclusive solutions. But they are interdependent—the more of one, the less of the other, and vice versa.

There are various signs that the present situation will lead in part to increased restrictions against American goods by foreign countries, in an effort to husband their resources in hard currencies and to make sure that only essential imports are permitted. Thus the tobacco tax in the United Kingdom was inspired in large part by the desire to save dollars. The import restrictions imposed by Sweden in March were clearly intended to halt the drain on her resources resulting from the high level of imports from the United States. The American motion picture industry has come under particular pressure by various countries to make arrangements which would not lead to a flow of dollars fully corresponding to net earnings.

Undoubtedly, some reductions can be made in American exports without seriously jeopardizing the processes of recovery. However, it must be



remembered that many of the apparently non-essential items act as incentive goods in the other countries, providing a kind of pump-priming for the process of production and exchange.

Such restrictions as foreign countries may place on purchases in the United States will probably be operated to limit transactions to the supply of available dollars and not to endeavor to accumulate dollars. Therefore, it seems clear that the level of our foreign trade in the immediate future will be largely determined by the volume of American aid and assistance. At the moment, there remain less than 5 billion dollars of unused governmental commitments, plus the resources of the International Bank and Fund. However, much of these funds are restricted as to use or limited to a particular area or both—the new grant of 350 million dollars is limited to relief purposes within a rather elaborate set of conditions, and the 400 million dollars can be used only for Greece and Turkey, and the 1.8 billion dollars not yet drawn down by the British under the British loan agreement is obviously only available in the first instance to the United Kingdom.

One certainly should not disregard the International Bank as a factor in the situation. It has begun to extend credits and can take much of the responsibility for reconstruction requirements in the future. However, its resources cannot be used for such immediate necessities as food and other consumers' goods. It is essentially an institution for aiding the purchase of capital goods. This is, of course, a prime function. However, one of the serious flaws in the original plans was the failure to realize how extensive would be the requirements for commodities of the general class of consumers' goods and raw materials, both in terms of volume and in terms of the higher price level. And this in turn was the result of the failure to take into account all the economic, political, and psychological factors which have delayed the recovery of productivity.

Reviewing all the sources of payments now in sight, it is obvious that they will not support the present level of exports from the United States for any considerable period of time. On the other hand, failure to continue essential exports for the critical period will undoubtedly result in a serious setback to the process of recovery. Thus the longer-range future of foreign trade is greatly de-

pendent upon the nature of developments during the next several years. And, in turn, absence of improvement in other countries will be a persistent drag upon our own economic system.

It would be completely erroneous to create the impression that the problem of economic recovery throughout the world is merely one of American dollars or American commodities. To be sure, that is the type of assistance which we have been providing, but much more than dollars is needed. For example, consider the food situation. American wheat cannot be, in a sense, more than a stop-gap. The basic problem is the recovery of agricultural production in France, Italy, Siam, Japan, and all other countries themselves. To some extent, American dollars can help when expressed in terms of fertilizer, seeds, and agricultural implements. But the problem is so much more than that—a problem which the local authorities must deal with—a problem of getting the farmer and the land to maximum productivity. This does not mean, of course, that each country should try to be self-supporting in food—that would be most uneconomic. But the present levels of output, appreciably below the prewar levels in many areas, represent a problem which must be tackled by the various governments and the appropriate international organizations. This problem cannot be solved for other countries by the United States except as we can help others to help themselves. It is so much more a matter of internal domestic policies than of outside aid. It is not merely a question of scientific agriculture, but one of economic organization. Future planning in the food field involves a reconsideration of compulsory collection systems, rationing, open markets, and price structures, all in relation to such incentives as may be required to raise production sharply. It involves questions of domestic priorities and support. These are all matters in which the domestic policy of each country is paramount and where vigorous and carefully planned action is vitally needed. It is to be hoped that the Conference of Food Ministers scheduled to begin in Paris on July 9 will make substantial progress in dealing with these problems.

To take another type of case where American assistance can be effective only if internal policies are propitious, an illustration can be found on the other side of the globe in Indonesia. Here in the

East Indies are customary sources of raw materials needed by the rest of the world and presently in great demand—rubber, sugar, copra, and many other tropical items. Nevertheless, there is no flow—the volume is a mere trickle of what it could be. A new set of political arrangements is being painfully constructed, and during the process no economic progress has been possible. There is reason to hope that an interim *modus vivendi* can be set up, although this is difficult because of the fear that any temporary arrangement might prejudice the final settlement. Under these conditions, production elsewhere in the world is retarded and the needed reconstruction in the area itself is not moving forward. This case is merely an example of a condition which is widespread, though in differing degrees. Political controversies all too often are responsible for confusion and disorganization in the economic field. During the war, political differences were subordinated to the basic objective. Now the over-riding objective must be economic recovery. Unless this is clearly recognized by a nation and its people as their basic purpose, it is hard to see how outside assistance can be fully effective.

In five countries the United States has a special responsibility with respect to the kind of internal policy which I have been discussing—the cases of the ex-enemy states of Germany and Japan, the liberated states of Austria and Korea, and the special instance where we have accepted a major role for a limited period, Greece. These countries represent an important part of the world's economy. There can be no question but that the failure of Germany to make substantial progress in productivity has held back the processes of European recovery in general. Germany used to be a major element in the pattern of European trade, and her coal, steel, and machinery were basic to other European countries. There have been various factors holding back her progress, the most important of which was the degree of destruction and disorganization resulting from the war. The fundamental economic requirements in all the cases are no different from those of the victorious countries, except perhaps in degree. And the interdependence of modern economic life makes it necessary for recovery to be general in order to be specific.

This is not a happy picture. The war was more destructive of the economic machine than had

been realized. After the last war, it took seven years for the world to get back to its prewar level of operation. The United States gave its assistance then through an unorganized process of private so-called investment. It is obvious that the destruction and disorganization created by World War II was much more extensive, and recovery and reconstruction correspondingly difficult.

This is the problem of the immediate future. On its answer depend both the short-run and long-run possibilities of foreign markets for American goods. More broadly, on it depend the short-run and long-run prospects for stability and security in the war-torn world.

The answer cannot be given solely by the United States. After all, the fundamental steps towards recovery must be taken by other countries. However, it is important to us that they do recover, and as quickly as possible. We aided them during the war because we were clearly agreed on our great objective and were following a common plan for its accomplishment. If there can be a clear indication of a joint effort to achieve recovery, we should continue to be generous with our support. In the long run the cost will be relatively small, and the enormous dollar and cents dividends will be far exceeded by the intangible item of good will. That is the entry which the accountants use to represent the increased value of economic assets when they take the form of a "going concern". But good will is more than an accounting phrase. Although it is frequently omitted from the financial balance sheet, it is perhaps the most important item in the balance sheet of the world. Good will cannot flourish in an atmosphere of economic disorder. Not only is it important for the world to be a going concern, but in one of the greatest expressions of hope in the Bible, good will is intimately related to "peace on earth".

## Confirmation to the Diplomatic Service

The Senate on June 10, 1947, confirmed the nomination of Emmet O'Neal to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of the Philippines.

## Corrigendum

In the BULLETIN of May 4, 1947, page 812, add the date *April 19, 1947*, to the note from the Soviet Minister for Foreign Affairs to the Secretary of State.

# Promotion of World Understanding Through Transport and Communications

BY ASSISTANT SECRETARY NORTON<sup>1</sup>

Our most compelling desire in international relations today is to lay the foundations for enduring peace. Widespread understanding between all peoples must be the bedrock upon which our structure will rest. The fullest possible use of world-wide systems of transport and communications is essential to the development of human understanding. My purpose today is to discuss our international transport and communications policy in the light of these basic facts.

It is most appropriate for citizens of the United States to emphasize the development of transport and communications as a means to the achievement of human understanding. Here in the United States, transport and communications have given us unity in our diversity. Our extensive national domain is greatly varied in its topography, climate, and resources. As citizens, we are a people of many origins. Our local interests, economic, political, and cultural, differ greatly. All the elements of sectional cleavage are with us. They are manifested in our arenas of political and economic contest. But above and beyond this, we are citizens of an integrated and united nation, a fact that has been made clear to the confusion of our enemies.

Widespread and ready travel, vast and expeditious movement of commerce, rapid and efficient communication of information and ideas: these are outstanding features of life in the United States. You might almost call this development of transport and communications an obsession of ours, from the early days of coastwise shipping and post roads to our present pattern of roads, railroads, inland and coastal waterways, sea and airways, and our network of telephone, telegraph, and radio circuits. But it is this mobility, this exploitation of every possibility for improvement of transport and communications, under policies fostering competition and equality of opportunity, which have made possible the achievement of national unity in our great diversity.

Now we have come to a position of world leadership and, with little choice on our part, we are drawn into the turmoil of a world which has not developed the degree of human understanding we have achieved at home. After immersion in two world wars, we find ourselves in a world of discord and confusion. We realize that for better or worse our fate is interwoven with the fate of that world. Finally, with leadership has come knowledge of how small and dangerous a world it is, how directly the acts of others affect us, and our actions affect them. To preserve our nation we led the world in the development of destructive weapons; to preserve the world we must now lead in the ways of peace.

Having ourselves achieved unity in diversity, we recognize no ultimate reason why the world cannot do likewise. Against the background of our own development, we approach the problem of world unity and understanding with confidence. We have achieved nation-wide understanding and order under law; we are confident that this can also be achieved globally. As we become more intimately acquainted with the world's problems, as we discover the currents and cross-currents of purposes, opinions, and compelling circumstances which determine the behavior of this shrinking world, we recognize the difficulties of the problem we face. But we do not lose courage or faith; we do not seek to crawl back into a shell of isolation; we do not forsake our essential purpose of achieving a structure of world-wide understanding and orderly settlement through the economic and social well-being of all nations. We maintain our faith in the principles of the United Nations and we continue to act on the basis of that faith. We know that the only ultimate answer to our world's present turmoil, hunger, and fear is the develop-

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<sup>1</sup> Delivered before the Twenty-Fifth Annual Convention of the U.S. Junior Chamber of Commerce at Long Beach, Calif., on June 12, 1947, and released to the press on the same date. Mr. Norton is Assistant Secretary of State for transport and communications.

ment of understanding between the peoples of the world. With such understanding, practical forms of cooperation can be worked out. We can give meat to the bones of the United Nations.

This is the background for the conduct of our foreign policy, within the framework of which are to be found our specific objectives in transport and communications. These policy objectives contemplate that world-wide facilities for the movement of goods, persons, and ideas should be developed and made available to all peoples. In seeking the achievement of these objectives we must be practical and adapt our actions to the circumstances of time and place, but in its entirety and general direction we must never lose sight of our basic policy.

This will explain why, from a more narrow point of view, decisions of the Department of State may in certain instances appear unreasonable or against some specific American interest. For example, a refusal to support an exclusive foreign contract which would enable an American airline to achieve a discriminatory or monopolistic position on a foreign air route is not the result of any intent to restrict the development of American air transport abroad, nor does it indicate any lack of desire on the part of our Government to encourage such development by all appropriate means. It does, however, exemplify the State Department's determination to avoid in the conduct of American foreign policy, as well as to discourage in the conduct by other governments of their foreign policies, the establishment of monopolistic arrangements for international air transport which tend to restrain the development of economical facilities.

Similarly, when the Department of State favors the sale to a foreign nationality of merchant ships surplus to the requirements of the United States, even though the vessels may be operated in competition with vessels of our own registry, this does not mean that the Department is opposed to the legitimate development of an American merchant marine. It is evidence, rather, of the Department's conviction that our aspirations for a sound merchant marine are not in conflict with the fundamental policies governing the conduct of our foreign relations. We see no reason why the development of a strong American merchant marine should require us to impoverish our neighbors

whose maritime interests are vital to their existence.

Thus it becomes apparent that our basic principles and procedures in the field of international transport and communications are the same as those governing our international economic policies as a whole. These principles stem directly from our commercial policy as expressed in the clauses of our long-standing commercial treaties providing for unconditional most-favored-nation treatment. They are harmonious with the subsequent expansion of our commercial relations through the agreements which provide for reciprocal reductions in trade restrictions. Our principles in the field of transport and communications are in accord with the principles of the charter for the International Trade Organization now under negotiation at Geneva.

Our international economic policy as a whole has been so frequently elaborated as to require no detailed exposition here. Its essential purpose is to foster the application of the principle of freedom and equality of opportunity for economic intercourse between the nations. To accomplish this purpose we must reduce trade barriers and eliminate discriminations. Where certain restraints on trade are necessary to safeguard national security, we must seek methods requiring the minimum of arbitrary official decision in individual commercial transactions. In short, our purpose is to go as far as possible in keeping the conduct of international commercial affairs in the hands of businessmen. We know that our system of free enterprise cannot stand alone in a world of state monopolies, cartels, and economic blocs. We must help a postwar world to recover freedom of enterprise, or in self-defense we may be forced to abandon that system ourselves.

Of course, the complete application of these principles under contemporary conditions is not possible. Practical recognition must be given to present circumstances of economic disorder and disintegration. Dated in part from the economic collapses of the years following 1929, and in part from the effects of the war years following 1939, these circumstances compel today the maintenance of various special measures of control while the foundations for a more permanent organization of world economic relations are rebuilt.

Likewise, in matters of international transport

and communications the essential theme of our policy is the basic principle of equality of opportunity and nondiscrimination. We seek to encourage the development of transport facilities through freedom for the energy and skill of competitive private business enterprise. With this principle in mind we seek to support the legitimate expansion of transport and communication facilities throughout the world by citizens of the United States. We do this by methods consistent with the major principles of nondiscrimination, equality of opportunity, and encouragement of competitive private business enterprise, in each case adapted to the practical facts and circumstances.

International policies affecting ocean shipping afford an example of the application of our major principles. If only for reasons of national security, the governments of most countries with maritime interests traditionally emphasize the development of their national shipping activities. By and large, however, shipping is conducted by private business enterprise. Since the repeal of the navigation acts in Great Britain just a century ago, international shipping competition has generally been conducted under conditions of equality and freedom in the ports of the world open to foreign commerce. Flag discrimination, or differential treatment according to the flag or nationality of the ship, has been the limited exception. The principle of freedom of the seas has been applied to the conduct of ocean commerce through equality of treatment at the ports through which that commerce flows. In the foreign policy of the United States this principle is specifically expressed in the provisions for national and most-favored-nation treatment of shipping which characterize our treaties of commerce and navigation. Except for cargoes financed by Government loans, an American merchant can arrange for the transport by sea of his imports or exports by the service he finds most convenient, regardless of the nationality of the carrier. Conversely, ships of United States registry may trade in foreign ports open to foreign commerce on equal terms with the ships of the other country or of any third country.

This widespread and traditional application of the principle of equality of treatment is most important. It shows that those elements of international relations essential to the growth of world understanding, comparable to the development of national understanding within the United States,

can be developed and maintained. Its application throughout the world has made it possible for all nations to reap the benefits of flexible and low-cost ocean shipping.

The importance of this principle of equality of treatment warrants and explains our strong opposition to policies which undermine it. For example, the endeavor a quarter century ago to substitute a policy of flag discrimination for the policy established in our treaties of commerce and navigation was resisted and defeated. Similarly, we oppose now the claim that governmental policy should compel the transport of our foreign trade, or some specific percentage of it, in American ships; we object now to requiring that export cargoes financed by Government loans be carried in ships of national registry.

This does not mean that the legitimate promotion of our national merchant-shipping activity is in conflict with broader foreign policy. The importance of an efficient merchant marine and an active shipbuilding industry, both capable of rapid expansion in time of emergency, is clear. The experience of two world wars leaves no doubt as to this. In order to maintain the merchant marine contemplated by our national shipping policy, some measures of Government assistance beyond the exclusion of foreign shipping from our coastwise and other domestic traffic is necessary. Some aid to offset lower costs of foreign shipping competing in our foreign trade is required. There is no necessity, however, for rendering this assistance by methods of discrimination or restriction. It is most significant that the Merchant Marine Act of 1936, the so-called Magna Carta of the American Merchant Marine, does not rely upon such methods but rather upon the forthright and open principle of direct subsidies calculated to offset cost disadvantages in shipbuilding and operation, to support American shipping participation on trade routes essential to our foreign commerce.

The United States today is in a position of special responsibility in international shipping policy. Wartime shipbuilding at taxpayers' expense has made the Government of this nation the principal shipowner of the world. It is likely that over the long range a reasonable expansion of our national shipping activity above the prewar level will be maintained in foreign trade. But the present distribution of shipping tonnage, the re-

sult of wartime shipbuilding and wartime losses, is accidental. Its continuance imposes a heavy burden upon the United States program of aid to economic reconstruction abroad. This program is designed to place dollars in the hands of foreign governments to enable them to secure the food, raw materials, and capital equipment which, because of the destruction and dislocation arising out of the war, they are unable to supply themselves. Dependence upon United States vessels for the movement of such exceptional bulk cargoes as coal and wheat means the use of scarce dollars in payment of high-cost services. If these foreign governments had vessels, they could carry these exceptional cargoes much more cheaply themselves. This temporary situation does not contribute to reconstruction abroad, but seriously burdens our efforts to assist that reconstruction.

Thus it becomes evident that the advantages to our national shipping of restrictive ship-disposal policies are limited and temporary. By undermining the prospects for the restoration of vigorous and profitable commercial intercourse, we also undermine the long-range prospects of the American Merchant Marine.

In matters of inland transport abroad, the United States has definite policies which it seeks to promote within the framework I have outlined to you. The United States encourages the development of inland transport facilities abroad. An outstanding example is to be seen in our relations with our neighbors of the Western Hemisphere, in the support and assistance we extend toward the completion of the Pan-American highway system. In Europe we have actively participated in the rehabilitation of the war-torn transport systems of that continent. The restoration of equality of opportunity and freedom of navigation on the international waterways of Europe, notably the Rhine and Danube, may seem somewhat remote from the national interests of the United States. Our interests are more, however, than simply that implied by our position as an occupying power in Europe; the restoration of conditions which permit the revival of commerce along these waterways, with freedom of navigation

- guaranteed to all who use them, is necessary to the reconstruction of a peaceful and prosperous Europe.

In aviation, the youngest and perhaps the most

vigorous giant of modern transportation, our basic policies are also adapted to special circumstances. As between international surface and air-transport policies, several differences are to be noted. In the first place, while ocean shipping terminates at seaports, international air services penetrate far into national territories, and overfly territories in between. Obviously, therefore, the conditions making possible the freedom of shipping through freedom of maritime ports do not make possible a similar degree of freedom in the air. In the second place the development of air transport is occurring under conditions conducive to scheduled operations along specific routes, in contrast with the world-wide tramping operations which are more important to the development of modern ocean shipping. In the third place, whereas the principles of freedom of navigation and national and most-favored-nation treatment of shipping in ports open to foreign commerce developed concurrently with a period of freedom for international business enterprise, the modern development of international air commerce coincides with a postwar period characterized by tendencies toward governmental control. In the fourth place the position of the American air-transport industry in international competition is, at present at least, reversed from that of our shipping industry. From the springboard of intensive development of air services by our competing domestic operators over widespread national territory, our international air carriers find themselves well ahead of their foreign competitors. Our position in this respect is improved by our experience during the war. I need not remind this audience of the role we played, alone among the nations of the world, in the transportation of troops and equipment by air.

The policies of the United States in the conduct of international relations involving air services, while taking these differences fully into account, are entirely in line with our basic principles. They seek the development of efficient air services with full opportunity for competitive private enterprise. Within this framework they include vigorous support to the development of competitive American airline services on all international air routes of importance, comparable in purpose to the support given to American flag participation in shipping services on our essential trade routes.



Our preference was, and still is in principle, for the adoption of multilateral procedures in international air transport. However, our efforts to achieve multilateral agreement were not successful, and we found it necessary to proceed by the method of bilateral negotiations with individual governments. It became evident that the world was not ready for a multilateral approach to air transport, and that our rigid adherence to this ideal could only hamper the practical development of our essential objectives. Substantial progress has been and is being made in the more restricted bilateral approach. This explains why, despite our preference and continuing desire for a satisfactory multilateral agreement, we have negotiated 36 individual agreements with foreign countries and are in the process of negotiating more. We emerged from the war as the only nation ready, able, and willing to fly on a large scale internationally. We wanted to get going, and we did it by the individual agreement route as the only one available to us.

In policies relating to international telecommunications our broad aims are likewise adapted to the practical circumstances. Our emphasis upon development of our national communications has given us a position of leadership and strong competitive standing. One factor must be borne in mind, however, recognition must be accorded to a peculiar aspect of certain communication services such as the telephone, where the best service at lowest cost necessitates acceptance of a greater degree of monopolistic operation than is ordinarily acceptable from our American viewpoint. Likewise in the field of radio communication, the inescapable fact of limitations of frequencies or wave bands must be recognized. Although these are in a sense capable of enlargement through increasing technical perfection, this trend is offset by the expanding variety of uses clamoring for the allocation of frequencies.

These considerations necessarily condition our approach to foreign policy in the field of international telecommunications. But our essential aims remain in line with the general pattern. When contracts are let for the installation or improvement of communications systems abroad, we seek to assure that the conditions of bidding are fair and open and allow equal opportunity for American enterprise along with other competitive foreign enterprise. In the exploitation of inter-

national communication systems, we seek to assure the development of American facilities to provide direct services wherever the traffic is of sufficient importance to our interests to warrant such services. In general, we seek to promote the most efficient use of the technical resources available. We believe that the operation of international telecommunications systems should be open and free. No private or national interest should be allowed to impair the contribution that such systems can make to international contact and world understanding.

So much for the general principles underlying our policies in international transport and communications, and the practical considerations which guide us in their application. I will close with a word on the procedures we follow. Many problems must of course be the subject of direct discussion and negotiation with individual foreign governments. Generally, however, pursuant to our aim of developing a world-wide system of agreement under law, we favor dealing with multilateral questions by multilateral conference. By this means all parties at interest may have opportunity to make known their position, their needs, and their aims. To understand the position of others and to discover areas of agreed compromise among many nations is not easy. Multilateral conferences, to be successful, require minute preparation to overcome difficulties that seem at first glance insuperable, followed by diligence and patience around the conference table. No single conference accomplishes everything desired; it can only be a step in the right direction. To be effective, moreover, its scope must be defined and limited to the practicalities of the occasion.

This is why there are so many international conferences today, varied in their subject matter and repeated in their endeavors. The list of recent, current, and prospective conferences in the field of international transport and communications which I could read to you would be a long one. The European Central Inland Transport Organization meets in Paris this month; the Committee of Transport Experts of the Economic Commission for Europe was recently convened in Geneva; the Fifth Pan American Highway Congress will meet in Lima next October. The Transport and Communications Commission of the United Nations meets for its second session at Geneva next Novem-

ber. The Joint Maritime Commission of the International Labor Organization meets at Geneva in late September. The First Assembly of the International Civil Aviation Organization met in Montreal last month. An International Telecommunications Conference is currently in session at Atlantic City. These are just a few examples, picked at random, to suggest the multitude and variety of conferences, subjects, and places of meeting in which the United States has interests in the field of international transport and communications.

Our participation and influence in these conferences involves one element of outstanding importance which warrants concluding mention here. I refer to our effort to promote and develop the structure and application of the United Nations. Some of these conferences are under the auspices of the United Nations; others are not. This denotes no half-hearted support of the United Nations; on the contrary it evidences only the practical character of our attempt to broaden the development of world organization under the auspices of the United Nations. Attempts to settle international problems by international conferences are of long standing and have resulted in the establishment of a number of successful organizations. It would obviously be foolish to wipe these all out, and abandon the progress heretofore made for the sake of making a fresh start. Our policy is to maintain the organizations already established and to influence their affiliation with the growing structure of the United Nations. Thus, at the first conference of the International Civil Aviation Organization recently held at Montreal, an important endeavor of the United States and a principal achievement of the conference was agreement to bring that organization into prescribed relations with the United Nations. Again, in the part we have been playing in the formulation of objectives for an over-all shipping organization, our effort has been primarily directed to the development of such an organization under United Nations' auspices, while at the same time accepting the progress that has been made in the field through other channels.

I have tried to show you today how an essential

element of our foreign policy, that of transport and communications, is directed to the promotion of world understanding. Our hope for the future lies in developing techniques for reconciling the differences between peoples. We believe that transport and communications, exploited on a global scale in the interest of mankind, can do for the world what they have done for our own country. But let us remember that the achievement of world understanding is an objective of our entire foreign policy. The wheel of human affairs has turned, and today we are leaders, whether we like it or not. We can do for the world what we have done for ourselves. If we show the way without fear or favor, the world will follow us.

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#### **U.S.-Canadian Cooperation—Continued from page 1192**

tageous economic relations between them and the betterment of world-wide economic relations.

"To that end the Governments of the United States of America and of Canada are prepared to cooperate in formulating a program of agreed action, open to participation by all other countries of like mind, directed to the expansion, by appropriate international and domestic measures, of production, employment, and the exchange and consumption of goods, which are the material foundations of the liberty and welfare of all peoples; to the elimination of all forms of discriminatory treatment in international commerce, and to the reduction of tariffs and other trade barriers; and, in general, to the attainment of all the economic objectives set forth in the" Atlantic Charter.

They agreed further that they would "seek to furnish to the world concrete evidence of the ways in which two neighboring countries that have a long experience of friendly relations and a high degree of economic interdependence, and that share the conviction that such reciprocally beneficial relations must form part of a general system, may promote by agreed action their mutual interests to the benefit of themselves and other countries." <sup>22</sup>

The United States and Canada in recent years have succeeded in doing this to a remarkable degree.

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<sup>22</sup> BULLETIN of Dec. 5, 1942, p. 978.



## Procedure for Joint Commission Consultation With Koreans

[Released to the press June 12]

There follows the text of the decision reached by the Joint (U.S.-U.S.S.R.) Commission in Korea on June 7 and published in Korea on June 12, establishing the procedures for joint commission consultation with Korean democratic parties and social organizations to which the Secretary referred in his press conference on June 12:

1. In consulting with Korean democratic parties and social organizations, the Joint Commission shall be guided by the conditions stated in the letter of Minister of Foreign Affairs of the U.S.S.R., V. M. Molotov, of May 7, 1947,<sup>1</sup> and accepted by the Secretary of State of the U.S.A., George Marshall, in his letter of May 13, 1947.<sup>2</sup> The appropriate quotation from the letter of Foreign Minister Molotov is given below:

The Soviet Commander in his letter of November 26, 1946, advanced the following proposals as a basis for the resumption of the work of the Joint Commission:

"1. The Joint Commission must consult those democratic parties and organizations which uphold fully the Moscow decision on Korea.

"2. Parties or social organizations invited for consultation with the Joint Commission must not nominate for consultation those representatives who have compromised themselves by actively voicing opposition to the Moscow decision.

"3. Parties and social organizations invited for consultation with the Joint Commission must not and will not voice opposition nor will they incite others to voice opposition to Moscow decision and the work of the Joint Commission. If such be the case, such parties and social organizations by mutual agreement of both delegations will be excluded from further consultation with the Joint Commission."

The American Commander in his letter of December 24, 1946, agreed to accept these proposals of the Soviet Commander with the following changes as the basis for the resumption of the work of the Joint Commission:

"Proposal number 1 to be interpreted as follows: signing the declaration in communiqué number 5 will be accepted as declaration of good faith with respect to upholding fully the Moscow decision and will make the signatory party or organization eligible for initial consultation.

"Proposal number 2, I consider it the right of a declarant party or organization to appoint the representative

which it believes will best present to the Joint Commission its views on the implementation of the Moscow decision.

"However, should such representative for good reason be believed to be antagonistic to the implementation of the Moscow decision or to either of the Allied powers, the Joint Commission may, after mutual agreement, require the declarant party to name a substitute spokesman.

"Proposal number 3, it is suggested that it be reworded as follows: individuals, parties and social organizations invited for consultation with the Joint Commission should not after signing the declaration contained in communiqué number 5 foment or instigate active opposition to the work of the Joint Commission or to either of the Allied powers or to the fulfillment of the Moscow decision.

"Those individuals, parties and social organizations which after signing the declaration contained in communiqué number 5 do foment or instigate active opposition to the work of the Joint Commission or to either of the Allied Powers or to the fulfillment of the Moscow decision shall be excluded from further consultation with the Joint Commission.

"The decision excluding such individuals, parties and social organizations shall be by agreement of the Joint Commission."

With a view to expediting the resumption of the work of the Joint Commission and the creation of a temporary Korean democratic government, I am prepared to accept the amendments set forth above proposed by the American Commander.

2. The Joint Commission will consult with Korean democratic parties and social organizations which are truly democratic in their aims and methods and which will subscribe to the following declarations:

We declare that we will uphold the aims of the Moscow decision on Korea as stated in paragraph 1 of this decision, namely: the reestablishment of Korea as an independent state, the creation of conditions for developing the country on democratic principles, and the earliest possible liquidation of the disastrous results of the protracted Japanese domination in Korea.

Further we will abide by the decision of the Joint Commission in its fulfillment of paragraph 2 of the Moscow decision in the formation of a provisional Korean democratic government.

Further we will cooperate with the Joint Commission in working out by it with the participation of the provisional Korean democratic government, of proposals con-

<sup>1</sup> BULLETIN of May 18, 1947, p. 995.

<sup>2</sup> BULLETIN of May 25, 1947, p. 1043.

cerning measures foreseen by paragraph 3 of the Moscow decision. Signed by -----, representing the ----- party or organization.

3. Democratic parties and social organizations of northern and southern Korea are hereby invited to submit their applications for participation in consultation with the Joint Commission. Every party and organization must submit only one application through its central zonal organ.

The application should be accompanied by a copy of the declaration given in paragraph 2 above duly signed and sealed with the seal of its central organ and also signed by the designated representative. The application shall contain the following information:

(a) The full name of the party or organization, the address of its central office, the date of establishment, the membership number and location of branches, and total membership.

(b) The full name of a designated representative given in Chinese characters and, where possible, in English and Russian translation, the place and home address. Applications for participation in consultation shall be submitted to the Joint Commission at address in Seoul or address in P'yengyang by June 23, 1947.

4. Democratic parties and social organizations of northern and southern Korea which have signed the declaration contained in paragraph 2 may submit to the Joint Commission in written form their considerations regarding the structure and principles of organization of the provisional Korean democratic government and local organs of authority (provisional charter), and also the political platform for this government may be in accordance with a questionnaire approved by the Commission. This questionnaire shall be published in the press and printed copies will be available at the Joint Commission headquarters in Duksoo Palace, Seoul, and (address) P'yengyang.

The applications for considerations shall be submitted to the Joint Commission by July 1, 1947.

5. Subcommittee number 1, upon receiving the applications for consultation, shall compile a list of all democratic parties and social organizations and their designated representatives of North and South Korea which have signed the declaration in paragraph 2.

6. Following the approval by the Joint Commission of the list of democratic parties and social

organizations and their representatives, mentioned in paragraph 5, the Joint Commission shall convene in Seoul on June 25, 1947, a joint meeting to which it shall invite the above-mentioned representatives of parties and social organizations in South Korea. A similar meeting of representatives of parties and social organizations in North Korea shall take place in P'yengyang on June 30, 1947. The Chief Commissioner of the Soviet Delegation shall preside over the meeting in Seoul, and the Chief Commissioner of the American Delegation shall preside at the meeting at P'yengyang. In such meetings the chief of the delegation in whose zone the assembly is being held will present a statement elaborated by the Joint Commission.

7. Representatives of parties and social organizations of both northern and southern Korea which are included in the list referred to in paragraph 5 above will be invited to individual oral consultation regarding the structure and principles of organization of the Korean provisional democratic government and local organs of authority (provisional charter) and also regarding the political platform for this government. For this purpose the Joint Commission will appoint the necessary numbers of subcommittees and shall notify each representative of the time and place he is to appear for consultation.

Oral consultation shall commence on July 5, 1947, and take place in Seoul and P'yengyang.

8. The Joint Commission will present the consideration and proposals received from the Korean democratic parties and social organizations of North as well as South Korea for study and elaboration of coordinated proposals to the corresponding subcommissions which will create, for this purpose, the necessary members of subcommittees. Advisors, experts, and technical personnel for the work in the joint subcommissions and subcommittees will be appointed by the heads of the corresponding delegations.

9. For the purpose of consultation and aiding the Joint Commission in elaboration by it of recommendations regarding the structure and principles of organization of the Korean provisional democratic government or the local organs of authority (provisional charter) and also the political platform for this government, representatives of parties and social organizations shall be invited from among parties and organizations included in the list mentioned in paragraph 5.

The number of such representatives of various parties and organizations shall be determined by the Joint Commission in accordance with their membership and, as far as possible, taking into account their influence. The Joint Commission shall convene a joint meeting with such representatives and may also call upon them to take part in the elaboration of recommendations by sub-commissions and subcommittees. The time and the agenda of the joint sessions of the Joint Commission with such representatives will be appointed by the Chief commissioners.

10. Democratic parties and social organizations of both northern and southern Korea shall have equal rights and opportunities in consultation with the Joint Commission.

11. The coordinated proposals elaborated by the subcommissions shall be submitted for consideration to the Joint Commission which shall examine such proposals and shall grant its provisional approval. Following this, the Joint Commission shall appoint a drafting commission to which it shall give the necessary instructions regarding the compilation of the final text of the recommendations concerning the structure and principles for organization of the Korean provisional democratic government and local organs of authority (provisional charter) and also the political platform for this government. The texts of recommendations elaborated by the drafting commission shall be approved by the Joint Commission.

12. Following the approval of the texts of recommendations submitted by the drafting commission, the Joint Commission shall proceed with elaboration of recommendation regarding the personnel of the Korean provisional democratic government.

## Hope Expressed for Early Provisional Government for Korea

### STATEMENT BY THE SECRETARY OF STATE

[Released to the press June 12]

Reports from Korea are that the Joint (U.S.-U.S.S.R.) Commission has agreed upon procedures for consultation with Korean democratic parties and social organizations in all of Korea in order to work out plans for the establishment of a provisional Korean democratic government. These procedures are rather elaborate and com-

prehensive and should assure the Koreans that their opinions and constructive ideas will be given due consideration. This agreement in the Joint Commission is especially gratifying as failure to reach such an agreement last year caused adjournment of the Commission.

I understand that consultations will start at Seoul in the American zone on June 25 and will continue at P'yengyang in the Soviet zone in northern Korea on June 30. I am hopeful that these developments will result in the early formation of a Korean provisional government for all of Korea as provided in the Moscow agreement of December 1945.

## Hope Expressed for Accord on Indian Self-Government

[Released to the press June 10]

The United States has followed developments toward full self-government in India with great interest and sympathy. The British and Indian Governments have been faced with unique difficulties in working out a plan whereby power might be transferred peacefully and for the general good of the Indian people. The agreement of all the major parties concerned with the British statement of June 3,<sup>1</sup> coming as it did in a period of growing tension in India, is a source of much encouragement to India's friends. It is hoped that

<sup>1</sup>The plan, issued as a "White Paper" (Indian Policy Statement of June 3rd, 1947, Cmd. 7136) leaves the decision of partition of India entirely in the hands of the Indians themselves and does not preclude negotiations for a unified India. It lays down procedures whereby India may be partitioned by decisions of the legislative assemblies of Bengal, Punjab, and Sind, and by referenda in the North West Frontier Province and the district of Sylhet in the Province of Assam. A method whereby British Baluchistan may determine its position is being examined. The procedures of the plan are now in motion. Parliament is expected to enact legislation providing for the transfer of power to the Constituent Assembly already in existence and to the constituent assembly which is expected to be set up for the creation of Pakistan, giving the two areas full self-government with Dominion status. The Indian Constituent Assemblies may decide in due course whether or not the part of India in respect of which they have authority will remain in the British Commonwealth. Since the plan relates only to British India the position of the Princely states remains unchanged.

this meeting of minds will bring an end to civil disorders in India and avoid further bloodshed. The spirit of cooperation among the Indian leaders evident in the agreement augurs well for the future of India and if continued may provide an example of cooperation and fair play to all nations of the world.

The future constitutional pattern is a matter to be determined by the Indian people themselves and whatever that pattern may be the United States Government looks forward to the continuance of the friendliest relations with Indians of all communities and creeds.

## Position on Educational Exchange Program

### STATEMENT BY THE SECRETARY OF STATE

[Released to the press June 12]

The Mundt bill authorizes the Secretary of State to conduct an international information and educational exchange program. A number of members of Congress have stated they would support the Voice of America broadcasts because I had urged the continuation of this broadcasting, but they could not support the exchange of students and professors, or assistance to American libraries and schools abroad, or the assignment of American technicians as advisers to other governments.

I have supported the continuation of broadcasting because it is the most important single method for correcting false ideas about the United States in those areas where the people are isolated from the rest of the world. I have spoken in support of broadcasting on several occasions because I felt this was the most controversial element in a program for the exchange of information.

I am unreservedly in favor of the exchange of students, professors, and books. These methods in the long run may be far more important for the interchange of information than broadcasting. I believe that private institutions and organizations must continue, as they have in the past, to bear the principal responsibility for the exchange of students and professors. Assistance from the Government would supplement these private activities. I have seen some of the work of the American-founded schools in China. They are largely financed by private fund-raising. During

the war the State Department provided these schools with some books and laboratory equipment. The Department also gave to the American colleges in the Near East some scholarship funds for bringing students from the Arab states to study under American teachers in Syria and Turkey. I should like to see that authority continued, and wherever it is necessary in our national interest to supplement the work of private agencies, I believe the Department should be in a position to do so.

The assignment of public officials as advisers to other governments will be increasingly important to the United States in its foreign-relief program and will enable those governments to achieve maximum self-help. This bill contains provision that the Secretary of State can require other governments to pay for the services of these advisers.

I do not believe that a bill limited to broadcasting would give this Government the opportunities it must have to explain itself to the rest of the world.

## William H. Hastie Succeeds Ralph J. Bunche on Caribbean Commission

The President on June 14, 1947, appointed William H. Hastie, Governor of the Virgin Islands, as United States Commissioner on the Caribbean Commission. Governor Hastie will replace Ralph J. Bunche, who was recently appointed Director of the Trusteeship Division of the United Nations Secretariat. For text of Dr. Bunche's letter of resignation, dated May 15, 1947, and for the President's reply of June 9, see White House press release of June 14, 1947.

## Confirmation to the International Monetary Fund

The Senate on June 11, 1947, confirmed the nomination of Andrew N. Overby to be United States Executive Director of the International Monetary Fund for a term of two years and until his successor has been appointed.

## Confirmation

The Senate on June 10, 1947, confirmed the nomination of Richard F. Allen to be Field Administrator of the United States foreign relief program pursuant to Public Law 84, approved May 31, 1947.

## Defense of American Information Program

### LETTER FROM ASSISTANT SECRETARY BENTON TO KENT COOPER

[Released to the press June 14]

June 13, 1947.

DEAR MR. COOPER: I have just had a chance to read in *Editor and Publisher* the text of your Chicago speech.

There is also on my desk a clipping from the New York *Sun* of an Associated Press dispatch from Budapest, dated June 6. It reads in part:

"President Truman's views—that the coup was an outrage—was not published by any Hungarian newspaper . . . . In scenes reminiscent of the German occupation, many persons are huddling every night in Budapest cellars to listen to foreign news broadcasts. . . . Today's bulletin of the United States Information Service, State Department office, carried President Truman's remarks . . . . Hungarians who called for the Bulletin came in hurriedly and departed in even greater haste".

You stated in your speech that you were not speaking officially as Executive Director of the Associated Press. If this is an appropriate device or you perhaps it is not wholly inappropriate for me. Your tenure and connection with the AP seems longer and more secure than is traditional for an Assistant Secretary of State. Thus there may be those who will indulge me and try to assume that I am commenting in my personal rather than my official capacity.

The assumptions that underlie your Chicago argument, as I read it, are that somehow—some time—the nations will remove the barriers that now impede the free flow of information internationally and internally; that the task of disseminating information may thus be given everywhere to private, competitive agencies as it is in the United States; that the resulting flow of information will then be adequate to the needs of the people; and that, even in the face of today's conditions, any informational activity sponsored by our own government represents a backward step.

I share your millennial hope. I share it as a hope and as a goal. I have read with admiration some of your numerous speeches on this subject, over the

years. I have made speeches on this subject myself in the last year. In fact, I have done more than make speeches on it. Though this development has received little public recognition or discussion, at no previous time has the United States undertaken so vigorous an effort in behalf of international freedom of information as it has begun in recent months through UN, UNESCO and the State Department's new concept of bilateral agreements.

But we would be less than candid with ourselves—indeed we would be living in a world of gossamer dreams—if either of us felt we had progressed very far toward our goal. The bitter fact is that the world is in worse shape now with respect to freedom of information than it was in 1919 when you made your first appeal. It is estimated that three-quarters of the earth's population is living today under some degree of censorship. In some important areas this censorship, and the deliberately fostered distortions that accompany it, are more virulent than ever before.

Certain it is that the United States is today grossly, shockingly and *dangerously* misunderstood by the peoples of many important countries.

The question for the United States becomes, what do we do about it? I think you and I can agree on these two things the United States Government ought to do: 1) it ought to move as it can to advance the cause of universal freedom of information, and 2) it ought to encourage the activities of private, competitive agencies in the communications field.

Beyond these steps you seem to be arguing that we do nothing—that we revert to *status quo ante bellum*. The opposing argument is that we should never again be caught so helpless; that the government must act to fill the information gaps that are now so glaring, in order that foreign peoples will not again be so easily misled about us; and that the government's method must be to give facts, and nothing but facts, openly and candidly and steadily in those areas and via those media not open to private channels or not profitable to them. If and as private agencies develop in these areas and media, the government should withdraw.

(You will recall that one of my first acts in the Department of State was to kill the OWI 100,000 word-a-day newsfile which was scatter-broadcast all over the world. Yet even today, I am told, in a major country as important to us as is China, the Associated Press only serves 27 of the 590 daily and 700 weekly and semi-weekly papers, and all of these 27 are in Shanghai and Nanking. UP serves only 19.)

The opposing argument to yours is not mine alone. It is held by nearly everyone who has studied the question—by a committee of outstanding editors appointed by the American Society of Newspaper Editors; by the key radio executives who have had experience in international broadcasting; by the president of the Motion Picture Association; by General Marshall and our ambassadors; by General Eisenhower and other leaders of our armed forces; by the very great majority of American newspapers; almost unanimously by their foreign correspondents who have seen the problem abroad and reported on how we are trying to meet it; by scores of private organizations which have looked into the matter, such as the American Legion, the General Federation of Women's Clubs, the Institute for Education by Radio, the Women's Action Committee for Lasting Peace, etc.; and most recently, in the very face of your argument, it was adhered to unanimously by the Foreign Affairs Committee of the House in its report on the Mundt Bill.

Your speech contains numerous specific misconceptions and misleading statements. It would require a letter almost as long as your paper adequately to comment on them, so I shall limit myself to a few. Here are five examples:

1. As you use the word "propaganda" throughout your speech to describe the informational activities of the State Department, you are prejudging the question by raising associations of dishonesty, malice and evil intent. The *St. Louis Post Dispatch* commented editorially, "Kent Cooper's personal attitude is strikingly different from the standards of reporting which he has fostered in his agency's own service." You have thus yourself used a propagandist's device.

In your sense I deny—flatly and categorically—that the Department of State is engaged in propaganda. No responsible newspaperman who has taken the trouble to study the Department's oper-

ation has so described it. I call your attention especially to the report of the Committee of the American Society of Newspaper Editors, which did take the trouble to study it. In this report, these distinguished editors stated, "So far as it could go, the Committee did not detect distortion, untruth or hidden purpose in the activity to date".

I do not deny, however, that propaganda is rife throughout the world, or that it is "a maelstrom of international self-seeking where wars are brewed", as you have charged. Secretary Marshall has referred to "this riot of propaganda". The chief target and victim is the United States.

2. You have said in previous statements, and implied in this one, that if the U. S. Government abandoned its international information program, other nations would abandon theirs. This statement is incredibly unrealistic, as could be readily determined merely by querying responsible officials in other governments. Other major powers have been in this field for decades, long before the war forced us in the United States to a realization of its great importance to us. Can anyone even imagine Russia abandoning its propaganda if you are successful in your campaign to kill off the State Department's information activities? Ignoring the Russian attitude seems to me to be irresponsible, when such hopes are expressed; though I assure you there is no chance that the British or the French, for example, would follow the unsound policy you suggest for us.

3. You say that "all countries of any importance actually avail themselves" of the news reports of the U.S. wire services. The fact is that a number of countries either do not get these reports or process them beyond all recognition. Hungary, Poland, Roumania, Yugoslavia and Iran, among others, get no reports. The Soviet Tass agency gets the AP report, but I am sure you agree with me that Russian newspapers cannot, even in the most far-fetched sense, be said to have "AF service".

Further, and of great importance—nowhere in the world can the wire services profitably send the complete texts of official documents that are required for understanding abroad of United States policy.

4. You refer to the government as being in the "news agency business", yet you concede that the State Department's information program is no

## THE DEPARTMENT

regarded by the wire services as being competitive. Thus your use of the phrase "news agency business" seems hardly accurate. The State Department presents voice news reports as part of its foreign radio broadcasting; it does so because private broadcasters will not undertake the job on anything but a very minor scale, and because the private wire services did not accept my invitation of last year, to take responsibility for that part of the broadcasting. The Department also provides foreign editors with the full texts and other documentary material not provided by the wire services. This is hardly the "news agency business".

5. You say that the American people have no way of checking up on what the State Department is saying abroad "that might lead us all to catastrophe". In saying this, you under-rate the rigid policing provided by our listeners and readers. You under-rate Congress. You under-rate your own staff both here and abroad. You under-rate the thousands of American businessmen living abroad, and those serving in our missions. It is all on the record.

In general, your thesis is that the purpose of the State Department's program is to create prejudice, to gain converts, or to thwart communism, or to produce revolution abroad. If yours were an accurate portrayal of its purposes, I agree that the program would be unwise as well as ineffective. But Machiavellian designs are not envisaged. The purpose is simply to advance understanding of the United States by informing foreign people of the facts about the United States. If such understanding does not promote the interests of both the United States and the rest of the world, then we are in a very bad way indeed and neither the Associated Press nor the State Department's information program has much long-range reason for existence.

In view of the wide publicity given your speech in Chicago I shall make this letter available to any member of the press who shows any interest in it.

Very sincerely yours,

WILLIAM BENTON

MR. KENT COOPER, *Executive Director*  
*Associated Press*  
*50 Rockefeller Plaza*  
*New York City*

## Provisions Authorizing Offices of Under Secretaries and Assistant Secretaries

[Released to the press June 12]

### Assistant Secretaries of State

Permanent legislation authorizes in the Department of State four Assistant Secretaries of State. By act of Congress dated December 8, 1944, there was authorized in the Department of State two additional Assistant Secretaries of State for the period of the emergency and not to exceed two years following the cessation of hostilities. As a result of the issuance of the President's proclamation 2714 of December 31, 1946, terminating the period of hostilities, the Act of December 8, 1944, will expire and, consequently, authority for the additional two Assistant Secretaries of State will terminate December 31, 1948.

### Under Secretary of State

Likewise, permanent legislation authorizes in the Department of State one Under Secretary of State. On August 6, 1946, Congress authorized the establishment in the Department of State of an Under Secretary of State for Economic Affairs for a period of two years. Under this authority, the Under Secretary of State for Economic Affairs will serve until August 1, 1948.

## Norman Armour To Assume Duties of Two Assistant Secretaryships

### STATEMENT BY THE SECRETARY OF STATE

[Released to the press June 12]

Mr. Armour will assume the duties formerly held by the Assistant Secretary for European affairs and the Assistant Secretary for American republic affairs. He will be responsible for the coordination of the work of four geographic offices.

No organizational plan will be approved until Mr. Armour arrives and the Under Secretary and the Assistant Secretary for administration and I have had an opportunity to discuss details with him.

### SENATE CONFIRMATION

The Senate on June 10, 1947, confirmed the nomination of Norman Armour to be an Assistant Secretary of State.



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# MILITARY CONTROL OF ZONE A IN VENEZIA GIULIA

by Mary E. Bradshaw

. . . unique in several ways—only “stakeholder” military government in the world—and probably the only one in history—carrying on the functions of government without any idea as to who the future sovereign might be, and without the program afforded by the example of parallel indigenous government which has solved so many problems in other places.

—AMG Supplement, Blue Devil,  
July 19, 1946.

## The Dispute Over Venezia Giulia

When the Nazis surrendered in northern Italy on May 2, 1945, the Allied Forces, in accordance with established policy and procedure, set up control over the newly liberated territory. By that time the Allied Military Government<sup>1</sup> had been merged with the Allied Control Commission (after October 25, 1944, the Allied Commission), a military unit “operating under the direct supervision of Allied Force Headquarters and following the directives of the Combined Chiefs of Staff.”<sup>2</sup>

### Development of Control Machinery in Italy

Plans for control of Italy had been formulated well in advance of the Sicilian invasion. Then and thereafter in the initial stages of each subsequent military operation, military government functioned under the basic principles of an earlier directive “drawn up in concert by the American and British Governments and Allied military staffs.”<sup>3</sup> The first objective of military government was “the security of the occupying forces and their lines of communications.” Beyond that it was “to relieve combat troops of the burden of civil administration,” to “assist in making available to the occupying forces the economic resources of the occupied territory and to govern in such a way as to promote political and military objectives of the Allied Forces in connection with future opera-

tions.” The same directive set up the principle of joint British and American responsibility.<sup>4</sup>

The Italian armed forces surrendered on September 3, 1943. Thereafter the Italian Government agreed “to take such administrative or other action as the Commander in Chief may require” while the Allied Commander in Chief in particular was given authority to “establish Allied Military Government over such parts of Italian territory as he may deem necessary in the military interests of the Allied Nations.”<sup>5</sup> The so-called “long terms” of surrender<sup>6</sup> specified the appoint-

<sup>1</sup> The term AMGOT (Allied Military Government of Occupied Territory) was employed until Oct. 18, 1943; then AMG (Allied Military Government) was officially adopted.

<sup>2</sup> *A Review of Allied Military Government and of the Allied Commission in Italy, July 10, 1943 to May 2, 1945*, (published by the Public Relations Branch, Allied Commission, APO 394, U.S. Army), p. 5.

<sup>3</sup> *Ibid.*, p. 8.

<sup>4</sup> AMGOT operational order issued May 1, 1943, by General Eisenhower, as quoted, *ibid.*, pp. 8–9. Both parties were to share equally “political, legal and financial responsibility for planning and conduct of Military Government, as well as participation by personnel on as near equal basis as possible.”

<sup>5</sup> Condition 10 accepted by Marshal Badoglio at the time of surrender. For conditions presented then, see *United States and Italy 1936–1946, Documentary Record* (Department of State publication 2669), pp. 51–52.

<sup>6</sup> An “instrument” consisting of 44 articles, signed Sept. 29, 1943. For text see *ibid.*, pp. 55–64.

ment of a control commission to regulate and execute the instrument of surrender under the orders and general directions of the Allied Commander in Chief.<sup>7</sup>

In January 1944 the Allied Control Commission and Allied Military Government were amalgamated, with identical general staffs and headquarters. The "single instrument" created by this merger was both more flexible and effective in its functions. By May 1945 the Allied Commission had completed the major portion of its work. It had organized military government operations with the Fifth and Eighth Armies in direct support of combat troops, rendered whatever immediate aid was practicable to the civilian population in the rear of the armies, and assisted in the process of preparing the governmental administration and economy for restoration to the Italians.<sup>8</sup>

#### *Projected Role of Allied Military Government in Northern Italy*

Anticipating the task ahead, the Allied Commission had emphasized the role of AMG in northern Italy. When the time came, it was to work wholeheartedly with the Committees of Liberation of the North, "using them in an advisory capacity only and insisting that CLN turn over to AMG any power and authority previously assigned to them."<sup>9</sup>

Behind the scenes various Allied authorities had been considering the problem of the "much disputed northeastern frontiers of Italy." Officials of Allied Force Headquarters (AFHQ) concluded that under article 37 the Allied Commission had sole authority within the territory of Italy for administering and executing the Instrument of Surrender, under orders of the Supreme Allied Commander, Mediterranean Theater of Operations (SACMED), and that future portions of Italy liberated by Allied Forces would become

subject to the Instrument of Surrender and therefore subject to control through the Allied Commander.

#### *Yugoslav Territorial Claims Against Italy*

At the Crimea Conference (February 1945), the question of the Italo-Yugoslav frontier and the administration of Italian provinces along that frontier came up for discussion. According to statements released by the Department of State, the British Delegation circulated notes on both the Italo-Yugoslav and Italo-Austrian frontiers. The American and Soviet Delegations agreed to consider them and to give their views later.<sup>10</sup> The views of various Yugoslav political elements were well known prior to this meeting of the Big Three. On more than one occasion the Yugoslav Government-in-Exile had expressed its desire to acquire the Italian territories inhabited by Slovene and Croat groups. In general, the frontier which the Government-in-Exile claimed differed little from the more extreme Yugoslav line of 1919. This line coincided in its northern and southern sections with Italy's eastern frontier of 1914, while in its central portion it ran somewhat to the west of the old boundary between Italy and Austria-Hungary. Marshal Tito forecast the liberation of Yugoslavs in Istria and the Slovene Littoral. The Free Yugoslav Radio, operating in occupied Yugoslavia, laid claim to Venezia Giulia in the name of the National Liberation Movement in Slovenia.

Venezia Giulia, according to the Yugoslavs, included the former provinces of Istria, Gorizia, Trieste, and part of Carniola. As employed by the Allied Powers the term Venezia Giulia denotes the 1939 Italian provinces of Gorizia, Trieste, Fiume (Carnaro) and Pola (Istria). The Yugoslav equivalent for Venezia Giulia is Julijska Krajina and the English term as employed by the Yugoslav Government is Julian March. The German term used by the Austrians prior to 1914 was Küstenland and referred to an administrative district composing Trieste, Gorizia, Gradisca, and Istria. The two terms—Venezia Giulia and Küstenland—are not quite identical.

#### *United States Position on the Disputed Area of Venezia Giulia*

The position of the United States with respect to territorial disputes was well known. In May

<sup>7</sup> Art. 37. General Eisenhower announced the establishment of the Allied Control Commission on Nov. 10, 1943. Later it became the Allied Commission, which was abolished Jan. 31, 1947. For functions, see BULLETIN of Aug. 6, 1944, pp. 137-38.

<sup>8</sup> *A Review of Allied Military Government* . . . , p. 5.

<sup>9</sup> *Ibid.*, pp. 123-124.

<sup>10</sup> "Protocol of the Proceedings of the Crimea Conference" (Department of State press release 239, Mar. 24, 1947, p. 6).

1945 Acting Secretary Joseph C. Grew declared that "territorial changes should be made after thorough study and after consultation and deliberation between the various governments concerned."<sup>11</sup> In line with that policy it was decided that "the best way to avoid hasty and precarious territorial solutions in the Anglo-American theater of operations would be to establish and maintain Allied Military Government in the disputed areas"<sup>12</sup> pending settlement by orderly process.

Acting Secretary Grew went on to explain that:

"Apart from the fact that this is an Anglo-American theater of operations and Anglo-American troops forced the surrender of the German garrison at Trieste, the disputed areas are temporarily of prime importance from a military point of view. Since the Allied occupation forces require a zone of administration to include adequate port facilities and lines of communication and supply leading to Central Europe, it was deemed particularly essential to establish Allied military control in this part of Italy.

"Aware of Yugoslav interest in the Venezia Giulia area, proposals along the above lines were presented to, and accepted by, Marshal Tito last February. Notwithstanding this agreement, claims have now been advanced that by virtue of conquest Yugoslav forces are entitled forthwith to occupy and control the administration of this region. These claims are put forward regardless of the operations of Field Marshal Alexander's forces in bringing about the defeat of the Germans in that area. According to radio reports, Yugoslav elements are already setting up a 'National Federal Government of Slovenia' in Trieste.

"Aside from the extent of the facilities required by the Allied military forces in this area, this Government reiterates its view that a disinterested military government is essential in Venezia Giulia in order not to prejudice, through sudden unilateral action taken in the flush of victory, a final solution corresponding to the problems and the principles involved."<sup>13</sup>

#### *Struggle for Jurisdiction Over Venezia Giulia*

Notwithstanding these "agreements" and arrangements, the jurisdiction over and administration of Venezia Giulia became a problem of con-

siderable magnitude once the Yugoslav and Eighth Army troops made contact.<sup>14</sup> The Allies had acted on the assumption that jurisdiction over the disputed areas was settled by the Alexander-Tito conversations and that joint occupation would take place as planned.

The original line of demarcation between the Yugoslav troops and the Anglo-American forces ran north from Fiume to the Austrian border. Under this arrangement Yugoslav forces were to control the port of Fiume and Anglo-American forces the port of Trieste. All territory west of the line, including Trieste, was to be subject to Allied Military Government.

Yugoslav forces were west of the line by the time of the German surrender, May 2, 1945. Marshal Tito was asked to withdraw Yugoslav regular forces from the disputed area in order to facilitate the work of the military agreement.

Marshal Tito informed Lt. Gen. W. D. Morgan, SACMED's Chief of Staff, who was sent to Belgrade to discuss implementation of the agreement, that the problem was a political one and no understanding could be reached on the basis suggested by SACMED. In Tito's opinion, Yugoslavia had a right as one of the Allies to occupy those territories which it had conquered. He therefore did not intend to withdraw his forces from the area east of the Isonzo River. Furthermore, he insisted that his civil administration should remain in control of the occupied regions and that Trieste must be left under Yugoslav control. He offered Field Marshal Harold R. L. G. Alexander port facilities in Trieste and access to railroad and highway lines of communications leading out of the city.

Realizing that further military conversations would avail nothing, SACMED referred the matter to Washington and London. The United States Government then called upon the Yugoslav Government to agree to control by SACMED and to issue appropriate instructions to the Yugoslav forces in the region in question to cooperate

<sup>11</sup> BULLETIN of May 13, 1945, p. 902.

<sup>12</sup> *Idem.*

<sup>13</sup> *Idem.*

<sup>14</sup> On May 1, 1945, Eighth Army troops advancing on Trieste made contact with Yugoslav partisans at Monfalcone. On May 2, 1945, Lt. Gen. Bernard C. Freyberg entered Trieste with New Zealand troops of the Eighth Army.

with Allied commanders in the establishment of military government.

After discussion on high political levels the Yugoslav Government accepted a military agreement,

"... in order to preserve the friendship among the Allied Armies which was achieved during the fierce fighting, and also in order to guarantee and strengthen the peace in Europe by promoting and strengthening relations with its Allies."<sup>15</sup>

The line of demarcation finally accepted, known as the Morgan Line, ran north from the eastern limits of Trieste to the Austrian frontier. The Allies were given access to railroads and highways from Trieste to Austria "via Gorizia, Caporetto, and Tarvisio". The agreement also provided that "Pola and anchorages on the west coast of Istria" were to be "under the Command and control of the Supreme Allied Commander". West of the line Allied Military Government was to be established as originally planned. The territory east of the line was left in Yugoslav hands. In neither zone was the military occupation and administration to prejudice or affect the ultimate disposal of the area.<sup>16</sup>

Points two and three of the seven-point provisional administration agreement (sometimes called the Belgrade agreement) deserve special attention because they include conditions which the Yugoslav Government considered indispensable. Yugoslav forces in the area west of the line marked the Morgan Line were limited to "a detachment of regular troops not exceeding 2,000 of all ranks". These troops were to be "maintained by the Supreme Allied Commander's administrative services" and were to be confined to "a district selected by the Supreme Allied Com-

mander". Use was to be made of "any Yugoslav civil administration which is already set up and which in the view of the Supreme Allied Commander is working satisfactorily".<sup>17</sup>

In subsequent negotiations at Duino (June 1945) between the Allied and Yugoslav military delegations, the recognition of existing civil authorities, which had been previously agreed upon, developed into a point of disagreement. The Yugoslav military delegation specifically requested that the Italian Government, as well as organs subordinated to it, should have no influence on the civil administration of Venezia Giulia. That delegation proposed that the new organs of already existing civil administration be accepted by AMG. In reply the Allied military delegation called attention to the fact that the Italian Government was definitely denied any power in the administration of Venezia Giulia under the first proclamation issued by the Supreme Allied Commander. This proclamation provided that "all powers of government and jurisdiction . . . and final administrative responsibility" were lodged in the Military Commander and Military Governor of those parts of Venezia Giulia occupied by Allied troops. For lack of concurrence, point 3 of the Belgrade agreement was dropped from the Duino agreement which dealt with the demarcation line and other technical and economic questions.

The Duino agreement, like that previously signed at Belgrade, in no way prejudiced the ultimate disposal of any part of Venezia Giulia. Knowing full well that the line of demarcation between the two zones of occupation cut across existing areas of civil administration and economic activity, the negotiating parties decided to continue certain existing arrangements. It was agreed to utilize all industrial facilities in the area to the fullest extent to meet the needs of Yugoslavs and other claimants. To that end, it was specified that no plant or industrial facility should be moved out of Venezia Giulia.

#### **Allied Military Government in Zone A of Venezia Giulia**

##### *Establishment of Allied Military Government*

Allied forces occupied Venezia Giulia west of the Morgan Line on June 12, 1945.<sup>18</sup> By proclamation no. 1, Allied Military Government was im-

<sup>15</sup> The Yugoslav Foreign Minister to the American Ambassador, June 11, 1945, BULLETIN of June 17, 1945, p. 1096.

<sup>16</sup> For text and map, see *Provisional Administration of Venezia Giulia, Agreement Between The United States of America, United Kingdom of Great Britain and Northern Ireland and Yugoslavia*, Belgrade, June 9, 1945 (Department of State publication 2562, Executive Agreement Series 501, 1946).

<sup>17</sup> Paragraph 3, which further stated that AMG would be "empowered to use whatever civil authorities they deem best in any particular place and to change administrative personnel at their discretion." *Ibid.*, p. 1.

<sup>18</sup> As provided in the Belgrade agreement, point 4.

mediately established in the area subsequently known as either the Occupied Territory or Zone A of Venezia Giulia.<sup>19</sup> "All powers of government and jurisdiction in those parts of the territory of *Venezia Giulia* occupied by Allied troops and over its inhabitants, and final administrative responsibility" were vested in the Military Commander and Military Governor. This official, in the same proclamation, instructed "all administrative and judicial officials and all other government and municipal functionaries and employees of state, municipal or other services [except such as might be removed by him] \* \* \* to continue in the performance of their duties \* \* \*."<sup>20</sup> The order establishing local government in Zone A was issued on August 11, 1945.<sup>21</sup>

Meanwhile, a series of proclamations had been published in Zone A:

- Property control—no. 2
- General police and security regulations—no. 3
- Closing of financial institutions and establishment of moratorium—no. 4
- Establishment of special courts of assize—no. 5
- Dissolution of Fascist organizations and repeal of laws—no. 6
- The *Gazette*—no. 7<sup>22</sup>

The past experience of the Allied Commission in such matters was put to good use, especially in the early period. With no parallel indigenous government in existence, the task of restoring law and order was the responsibility of military government officials. These officials functioned without any idea as to who "the future sovereign" might be. The Government they served was "the only 'stakeholder' military government in the world—and probably the only one in history."<sup>23</sup>

#### *Resistance to Allied Military Government*

The plan evolved for the reorganization of local government in Zone A, reproducing the Italian model, went into effect on August 11, 1945, under General Order no. 11. This system immediately aroused opposition from organizations with Yugoslav sympathies, many of which adopted a policy of noncooperation with AMG officials. Notwithstanding the opposition, the plan became operative. Where individuals and groups refused to cooperate, direct CAO (Civil Affairs Officer) rule prevailed. By January 1946 the Allied Commission reported that all areas<sup>24</sup> had presidents and councils and 20 of the communes had presidents

and councils, all functioning in accordance with General Order no. 11. The other 20 communes still refused to nominate officials and were operating under the direct rule of CAO.

Some officials offered cooperation on a conditional basis. Among these were certain Slovene judges who refused to serve unless Slovene was the official language for their courts. After a period the opposition judges showed a disposition to compromise on the subject. Some men appointed to office offered to cooperate with AMG and to recognize its orders provided they did not conflict with those of the National Liberation Front. Still others decided to give assistance in matters such as the control and distribution of food and clothing.

The repeal of General Order no. 19 making Italian citizenship a prerequisite to the holding of public office<sup>25</sup> removed a legal obstacle to the participation in public affairs.

#### *Local Government*

General Order no. 11 created a uniform system of local government for the Occupied Territory, dividing it into the areas of Trieste and Gorizia and the commune of Pola. Each area was governed by a president and a council; the area council for Trieste was composed of a chairman and 17 members, and that for Gorizia of a chairman and 14 members. Area presidents and members of the area councils were appointed and subject to removal by AMG. The area president possessed the powers and duties of the prefect of a province as of September 8, 1943. He was assisted by a vice president, likewise appointed and subject to re-

<sup>19</sup> Proclamation no. 1 establishing Allied Military Government bears no date. Since this proclamation was mentioned in the Duino agreement signed on June 20, 1945, it would appear that it was issued between June 12 and June 20. For text, see Allied Military Government, 13 Corps, Venezia Giulia, the *Allied Military Government Gazette*, no. 1, 15 Sept. 1946, pp. 3-6.

<sup>20</sup> *Ibid.*, p. 3.

<sup>21</sup> *Ibid.*, pp. 45-48, and BULLETIN of Sept. 1, 1946, pp. 412-414.

<sup>22</sup> *Ibid.*, pp. 7-21.

<sup>23</sup> From AMG Supplement, *Blue Devil*, Section 11, Friday, July 19, 1946, *Allied Military Government in Zone A*, p. 1.

<sup>24</sup> The Occupied Territory was divided into the areas of Trieste and Gorizia and into the commune of Pola.

<sup>25</sup> General Order no. 19 was dated Oct. 3, 1945, and was repealed by General Order no. 29, dated Dec. 5, 1945 (the *Allied Military Government Gazette*, no. 9, 1 Jan. 1946, p. 9).

moval by AMG. The area council was an advisory and consultative body to the president and met at least once a week, reaching decisions by majority vote.

Within the commune the president possesses the same powers and duties as did the mayor of a commune on September 8, 1943. The communal president is subject to the supervision and control of the area president. The President of Pola functions both as an area and a communal president. Each commune has a council composed of a chairman plus members determined on the following basis:

Population	Members
250,000 or over-----	12
30,000 to 250,000-----	8
Others-----	4

The communal council acts as an advisory and consultative body to the communal president and meets at least once a week. The decisions of the council on all matters laid before it for advice and opinion are reached by a majority vote.

General Order no. 11 also provided for an additional unit, the district, composed of two or more communes, if such a grouping were "deemed desirable and necessary". The Area Commissioner of AMG was given the discretionary power to form an advisory district committee, with "no executive or legislative control over the Communal President or Communal Council of their respective Communes".

Membership on one of these local government committees was limited to the leading citizens of the area, commune, or district. In the case of the area or communal committees, consideration was to be given to the selection of leading citizens of the highest moral and political probity who should be, as far as possible, "representative of all racial, political and economic groups and classes in the Area according to their respective local strength".

<sup>26</sup> Statistics taken from monthly reports of the Allied Commission.

<sup>27</sup> General Order no. 6, Trieste, July 12, 1945 (the *Allied Military Government Gazette*, no. 1, 15 Sept. 1945, p. 32).

<sup>28</sup> All judicial officials except those removed by AMG were required to continue in the performance of their duties, subject to the direction of AMG.

<sup>29</sup> Statistics taken from monthly reports of the Allied Commission.

## Law and Order

Proclamation no. 1 gave to Allied Military Government the power to try in its own courts and to punish persons committing "offences against any of the special laws and provisions promulgated by the Military Government or against the laws and usages of war or the law of the territory". AMG courts established in the Territory consisted of the following:

1. General Military Courts having power to impose any lawful punishment, including death;
2. Superior Military Courts having power to impose any lawful punishment, other than death or imprisonment for more than 10 years;
3. Summary Military Courts having power to impose any lawful punishment, other than death or imprisonment for more than one year or a fine of more than 50,000 lire or both such imprisonment and fine.

In the period between September 1945 and October 1946, the Superior Military Courts tried around 500 persons on some 800 charges while the Summary Military Courts handled over 2,500 cases on a nearly equal number of charges.<sup>26</sup> In November 1946 the Allied Commission reported a considerable decrease in the work of both courts.

General Order no. 6 reestablished the civil courts "constituted under the laws of the Occupied Territory in effect on the 8th September 1943";<sup>27</sup> in accordance with the provisions of article I of proclamation no. 1.<sup>28</sup> The Allied Commission reported periodically that the civil courts continued to function with "reasonable satisfaction".

It took a considerably longer period, however, to train, equip, and clothe the civil police of Venezia Giulia. Until the force was formed, Allied provost units performed police functions. In December 1945 the Allied Commission reported a police force of 1,950 and in February 1946 one of 2,788. By March 1946 that number had grown to 3,771 and by November to 4,450.<sup>29</sup> Despite some strikes and disturbances the volume of crime remained at approximately the prewar level.

## Education

The educational problem was a critical one because the Army had requisitioned so many buildings and because the Slovene and Croat minorities lacked established schools in a zone predominantly Italian. After a month of intense planning and



preparation, the elementary and secondary schools, Italian and Slavic, were opened in October 1945. In December the following schools were open and functioning:<sup>30</sup>

#### Italian Schools

	Number	Enrolment	Teachers
Kindergarten-----	20	1, 702	75
Elementary-----	533	28, 027	1, 740
Lower trade-----	27	5, 530	348
Lower secondary-----	14	4, 530	313
Upper secondary-----	20	6, 351	504

The University of Trieste opened November 25, 1945; on November 30 it had an enrolment of 1,427 students and a teaching staff of 19 professors.

#### Slovene or Croat Schools

	Number	Enrolment	Teachers
Kindergarten-----	2	80	-----
Elementary-----	105	11, 802	203
Lower trade-----	-----	-----	-----
Lower secondary-----	2	1, 003	50
Upper secondary-----	4	380	32

Official recognition was given only to those schools which were regularly constituted in accordance with directives issued by AMG. Only officially recognized schools were permitted to use public-school property and in such schools only were teachers entitled to receive salaries from public funds.<sup>31</sup> At the time the schools opened there was a shortage of Italian secondary professors and of trained Slavic personnel. Many teachers seeking posts in the Slovene schools had only an elementary education plus one or two months of special training. The need for a "substantial number of qualified Slovene speaking teachers" for the elementary schools of Zone A brought about the establishment of a Slovene teacher-training course. Effective April 10, 1946, candidates enrolled for the six months' course at the Slovene Normal School at Gorizca.<sup>32</sup> This was followed by parallel action establishing the "Elementary School Teachers' Courses for the Improvement in the Croatian Language." Candidates were to present themselves at the Normal Teachers School at Pola by October 1, 1946, the opening date of the six months' course.<sup>33</sup>

In the meantime provision was made for Slavic elementary schools in communes where one such school or schools had existed on June 1, 1914, or in communes where there were "25 children desirous of attending a Slavic (Slovene or Croat) elementary school within a radius of four (4) kilometers." The organization of these Slavic elementary schools was to be "the same as that of similar elementary schools provided by Italian law prior to 8 September 1943, except as regards required changes provided to meet the characteristics of a Slovene or Croat language. Any modifications that should prove necessary will be made on approval of the Chief Education Officer; however, the character of said school and the language adopted therein shall remain entirely Slovene or Croat."<sup>34</sup> New parallel classes might be added in case of necessity. The opening and functioning of each school and the number of classes required the approval of the Chief Education Officer of AMG. At the end of one year administration of elementary schools within the Territory was vested in the following: (1) Education Division of AMG; (2) superintendents of schools; and (3) Councils of Discipline and school councils.<sup>35</sup> Area school councils had been constituted at the Superintendency of Schools of Trieste, Gorizia, and Pola.<sup>36</sup>

Secondary schools conducted in the Slovene language, like the elementary schools employing the same language, required approval for opening. Approval of these new schools was based upon: (a) number of students enrolled; (b) qualifications of teachers;<sup>37</sup> and (c) school buildings available.

<sup>30</sup> Statistics taken from monthly reports of the Allied Commission.

<sup>31</sup> Administrative Instruction—Education, no. 9, Trieste, Oct. 16, 1945 (The *Allied Military Government Gazette*, no. 6, 15 Nov. 1945, p. 5).

<sup>32</sup> Order no. 118, Trieste, Apr. 21, 1946 (*ibid.*, no. 18, 15 May 1946, p. 31).

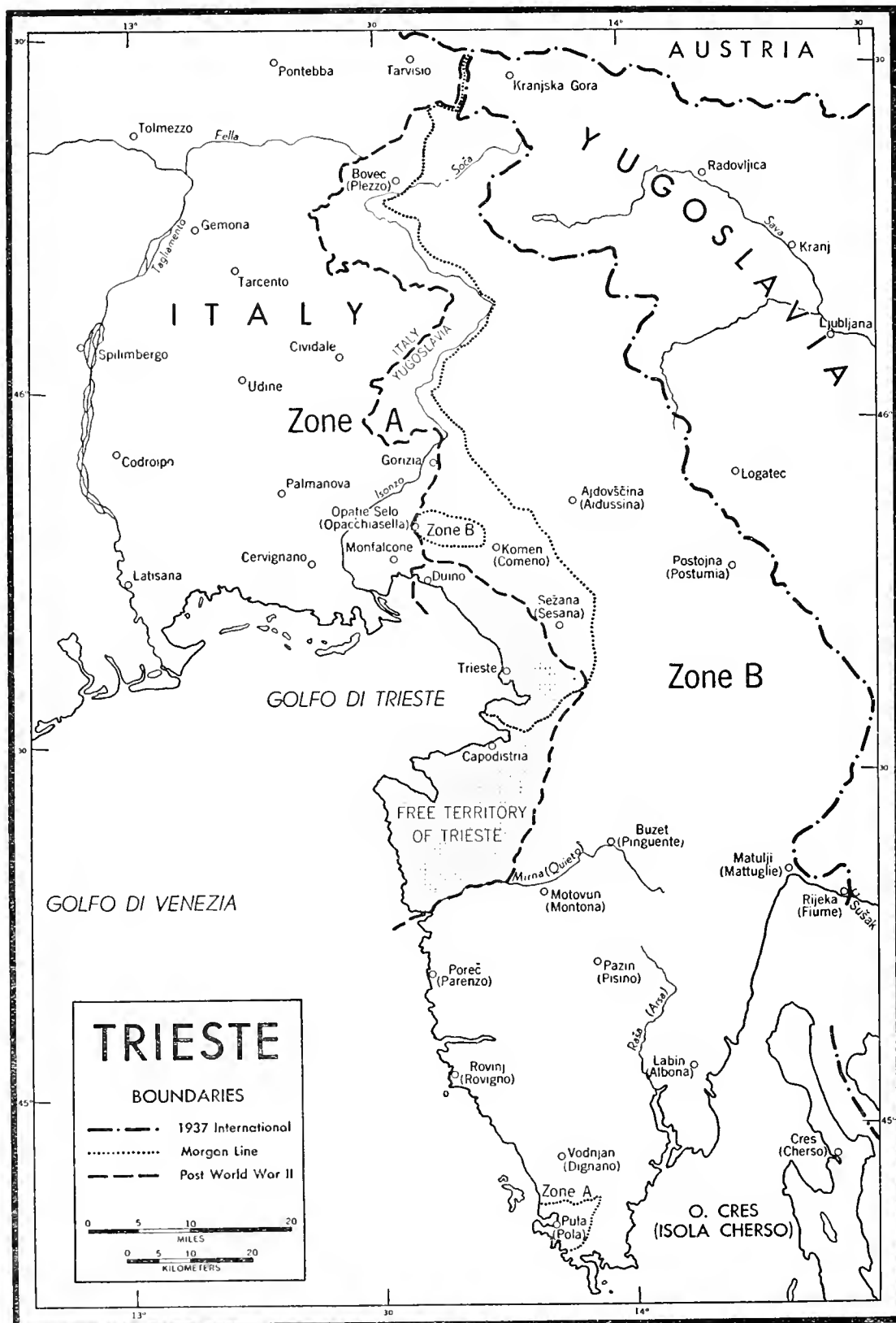
<sup>33</sup> Order no. 245, Trieste, Oct. 17, 1946 (*ibid.*, vol. II, no. 3, 1 Nov. 1946, pp. 144-145).

<sup>34</sup> Administrative Instruction—Education, no. 8, Trieste, Oct. 8, 1945 (*ibid.*, no. 12, 15 Feb. 1946, p. 26).

<sup>35</sup> Order no. 268, Trieste, Nov. 12, 1946, defines the functions of school officials (*ibid.*, vol. II, no. 5, 1 Dec. 1946, pp. 250-251).

<sup>36</sup> Order no. 219, Trieste, Sept. 27, 1946 (*ibid.*, vol. II, no. 2, 15 Oct. 1946, pp. 82-84).

<sup>37</sup> Sec. VI of Administrative Instruction—Education no. 4, August 1945 (*ibid.*, no. 12, 15 Feb. 1946, pp. 18-23).



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Procedures to be followed for the opening of all universities, academies, higher institutes, and cultural institutions were set up in Administrative Instruction—Education No. 6.<sup>38</sup> Machinery for purging the teaching and administrative staffs was created. On completion of the initial epuration, titular professors not suspended were to elect a rector and a dean.

In the summer of 1945, all books containing Fascist material were banned. Subsequently lists were prepared of elementary and secondary books suitable for use in the schools of the Occupied Territory. Any teacher using unauthorized material, "whether printed, typed, mimeographed or otherwise duplicated", was subject to disciplinary action including dismissal.<sup>39</sup> No textbook was to be published, except as authorized in writing by the Education Division of AMG.<sup>40</sup>

As conditions warranted, AMG added new courses. For example, in the case of the University of Trieste it expanded the already existing faculty of science into the faculty of mathemati-

cal, physical, and natural sciences and added a two-year course of studies preliminary to the degree course in chemistry.<sup>41</sup> It likewise established the Slovene Lower-Professional School at Gorizia.<sup>42</sup>

### *Termination of Control*

By 1947 the Allied Commission had shifted much of its authority to local officials under orders and instructions establishing schools, courts, and a special police force for the Occupied Territory. Its main task was completed. As elsewhere in Italy it had assisted in preparing the governmental administration and economy for restoration to the rightful sovereign authority. It therefore ceased to exist as of February 1, 1947. The Allied treaty of peace with Italy, dividing Venezia Giulia between Italy and Yugoslavia, was signed on February 10.<sup>43</sup> Pending ratification of the treaty, forces of Allied Military Government remain in the Occupied Territory. These must be withdrawn at the latest "90 days from the coming into force" of the Italian treaty.<sup>44</sup>

## ANNEX

### ALLIED MILITARY GOVERNMENT OF VENEZIA GIULIA

#### Proclamation No. 1

*To the people of those parts of VENEZIA GIULIA which are occupied by the Allied Forces:*

In order to hasten the rehabilitation of areas which the Allied Forces have freed from German occupation and to ensure the proper administration thereof, to provide for the safety and welfare of yourselves and of the Allied Forces, and to preserve law and order, a Military Government must be established in this territory. This Military Government will have full control over the administration of this territory and will have power if necessary to try in its own courts and punish any persons who commit offences against any of the special laws and provisions promulgated by the Military Government or against the laws and usages of war or the law of the territory.

Now, therefore, I, HAROLD R. L. G. ALEXANDER, G.C.B., C.S.I., D.S.O., M.C., A.D.C., Field-Marshal, Supreme Allied Commander, Mediterranean Theatre of Operations, hereby proclaim as follows:

#### PART I: ESTABLISHMENT OF MILITARY GOVERNMENT

*Article I.*—All powers of government and jurisdiction in

those parts of the territory of VENEZIA GIULIA occupied by Allied troops and over its inhabitants, and final administrative responsibility are vested in me as Military Commander and Military Governor, and Allied Military Government of such territory is hereby declared and established to exercise these powers under my direction. All administrative and judicial officials and all other government and municipal functionaries and employees and all officers and employees of state, municipal or other services

<sup>38</sup> August 1945 (*ibid.*, no. 12, 15 Feb. 1946, pp. 24-25).

<sup>39</sup> Order no. 89, Trieste, Mar. 20, 1946 (*ibid.*, no. 16, 15 Apr. 1946, p. 29).

<sup>40</sup> Administrative Instruction—Education, no. 4, *ibid.*, sec. VIII.

<sup>41</sup> Order no. 283, Trieste, Dec. 20, 1946 (*ibid.*, vol. II, no. 7, 1 Jan. 1947, p. 333).

<sup>42</sup> Administrative Instruction—Education, no. 10, Trieste, July 9, 1946 (*ibid.*, vol. II, no. 1, 10 Oct. 1946, p. 49).

<sup>43</sup> Art. 3. For text of treaty, see Department of State publication 2743, European Series 21.

<sup>44</sup> *Ibid.*, art. 73.

(except such as may be removed by me) are required to continue in the performance of their duties, subject to my direction of such of my officers of the Allied Forces as I may depute for that purpose.

*Article II.*—All persons in the said territory will obey promptly all orders given by me or under my authority and must refrain from all acts hostile to the troops under my command, from all acts of violence and from any act calculated to disturb law and order or public safety in any way. So long as you remain peaceable and comply with my orders, you will be subjected to no greater interference than may be inevitable in the course of the administrative task of the Military Government.

*Article III.*—Your existing personal and property rights will be fully respected and the laws of the territory, in effect on the 8th September, 1943 will, remain in force and effect except insofar as it may be necessary for me, in the discharge of my duties as Supreme Allied Commander and as Military Governor, to change or supersede them by proclamation or other order by me or under my direction.

## PART II: OFFENCES

### *Article IV.*—OFFENCES AGAINST THE ALLIED FORCES WHICH MAY BE PUNISHED BY DEATH.

Any person who:

1) Serves the enemy as a spy or harbors or aids an enemy spy;

2) Communicates with the enemy or with any person within territory under their control in any manner or on any subject whatever or enters any territory under enemy control;

3) Sends to any person any where any communication giving any information whatever concerning the Allied Forces or receives any such communication and fails promptly to report the same to the Allied Military Government;

4) Bears arms against the Allied Forces;

5) Has in his possession any fire-arms, ammunition, explosive, or similar war supplies except in accordance with a permit of the Allied Military Government;

6) Has in his possession any wireless or other apparatus for transmitting signals or other messages;

7) Misleads any member of the Allied Forces in the performance of his duties;

8) Assists a prisoner of war to escape or assists or conceals any prisoner of war after escape;

9) Assists any of the enemy armed forces to evade capture;

10) Enters or is found within any area designated as a forbidden area either by the posting of a sign, or by the presence of sentries, without a pass specifically authorizing him to be there;

11) Destroys, damages, endangers, interferes with, steals or wrongfully either receives or has in his possession any property of the Allied Forces or for any member thereof to the aggregate value of more than 10,000 Lire;

12) Interferes with communication by mail, courier, telegraph, telephone, cable, radio, or otherwise, or removes or damages any telegraph, telephone or electric power wire;

13) Interferes with transportation by land, water or air;

14) Interferes with the operation of any public service or utility, including water supply, electric light and power, gas and sanitation or similar services;

15) Kills any member of the Allied Forces;

16) Assaults any member of the Allied Forces with intent to kill or inflict serious bodily harm;

17) Commits any act of looting;

18) Robs the dead or wounded;

19) Rapes any nurse or other woman serving with the Allied Forces or assaults any such nurse or other woman;

20) Forges or alters any permit, pass, identity card or other similar document or issues or has in his possession any such document, the same having been forged or altered;

21) Incites any inhabitants of the occupied territory to insurrection against military authority, or organizes or leads any public demonstration or assembly for such purpose;

22) Counterfeits any coin or note made legal tender by the Allied Military Government, or has in his possession any such coin or note knowing the same to be false; or

23) Otherwise violates any of the laws of war, or does any act in aid of the enemy or hostile to or endangering the safety or security of the Allied Forces;

shall upon conviction by an Allied Military Court, be liable to punishment by death, or by imprisonment or fine or both, as the court may determine.

### *Article V.*—OFFENCES AGAINST THE ALLIED FORCES PUNISHABLE BY FINE OR IMPRISONMENT.

Any person who:

24) Is out of doors without a permit after curfew;

25) Leaves the shore in any vessel or in any other manner except as authorised;

26) Gives false evidence before a Military Tribunal;

27) Destroys, damages, endangers, interferes with, steals or wrongfully either receives or has in his possession any property of the Allied Forces or of any member thereof to an aggregate value of not more than 10,000 Lire;

28) Fails to declare within one month of the date of the posting of this proclamation the possession of any stores, equipment or military property abandoned by the enemy or of enemy origin;

29) Submits a false, fraudulent or exaggerated claim against the Allied Forces or any member thereof;

30) Published or has in his possession any printed or written matter detrimental or disrespectful to the Allied Forces or any member thereof, to the Government of any of the United Nations or to the Allied Military Government;

31) Utters any speech or words hostile or disrespectful to the Allied Forces or any member thereof, to the Government of any of the United Nations or to the Allied Military Government;

32) Assaults any member of the Allied Forces;

33) Takes part in any public demonstration or assembly not authorised by the Allied Military Government;

34) Falsely pretends to be acting under the authority of the Allied Forces or the Allied Military Government;

35) Offers or accepts a bribe in connection with any official matter;

36) Obstructs any member of the Allied Forces in the performance of his duty;

37) Acquires by gift or purchase any military equipment or war material belonging to the Allied Forces;

38) Disseminates any rumour calculated to excite or alarm the people;

39) Makes any false statement in connection with any official matter;

40) Removes or damages any notice, proclamation, or order posted under the authority of the Allied Military Government;

41) Fails to have in his possession at all times a proper means of identification as required by existing law;

42) Disobeys any order given under the authority of the Allied Forces or the Allied Military Government where no specific punishment is prescribed;

43) Promotes or attends any meeting of the fascist party; uses or permits premises to be used for any such meeting; prints or publishes or has in his possession any printed or written matter issued by or on behalf of the fascist party; teaches or advocates any doctrine of fascism; wears or has in his possession any badge, insignia or attire of the fascist party; makes or receives any subscription to the funds of the fascist party; takes or receives any oath or undertaking to the fascist party or does any act intended or likely to promote or sustain the fascist party, the term fascist party including any organisation designed to replace it;

44) Infringes any proclamation or order or the laws regulating or controlling the sale purchase, distribution, allotment, rationing or transporting of any commodity or article;

45) Does any act to the prejudice of good order of the occupied territory or of the safety or security or the Allied Forces or any member thereof;

46) Until further order of the Allied Military Government travels more than 10 km beyond his own home without a permit;

shall, upon conviction by an Allied Military Court, be liable to punishment by such fine or imprisonment, or both, as the court shall direct.

#### *Article VI.—OTHER OFFENCES.*

**Section I: Conspiracy, advising or assisting violation.**—Any person who conspires to do any act constituting an offence, or who advises, assists in, or procures the commission of any such act shall be punishable as a principal.

**Section II: Attempts.**—An attempt to do any act which constitutes an offence shall likewise constitute an offence which shall be punishable to the same extent as though the act had been committed.

#### *Article VII.—VIOLATION OF THE LAWS OF THE TERRITORY.*

Any person who violates or has violated any provision of the laws of the territory may be brought to trial before an

Allied Military Court and, on conviction, may be punished as provided by such law.

#### *Article VIII.—ARREST AND DETENTION.*

**Section I: Arrest and Search.**—Any authorized member of the Allied Forces may:

a) Arrest or search any persons suspected of having committed or being about to commit offences;

b) Enter and search any place and seize and take away any property for the purpose of investigating or preventing any offence or arresting a suspected offender.

**Section II: Detention.**—Any person suspected of committing or intending to commit any act hostile to the Allied Forces or the Allied Military Government or engaging in any political or other activity in the interest of the enemy or its Armed Forces or hostile to the Allied Forces or the Allied Military Government, may be detained pending further investigation for a period not exceeding three months unless the Regional Commissioner or Senior Civil Affairs Officer orders that the detention may continue for a longer period.

### **PART III: COURTS**

#### *Article IX.—CREATION OF ALLIED MILITARY COURTS.*

Allied Military Courts are hereby established. Such courts shall consist of:

1) General Military Courts having power to impose any lawful punishment including death;

2) Superior Military Courts having power to impose any lawful punishment other than death or imprisonment for more than 10 years;

3) Summary Military Courts having power to impose any lawful punishment other than death or imprisonment for more than one year or a fine of more than 50,000 Lire or both such imprisonment and fine.

Where a Superior or Summary Military Court imposes a term of imprisonment and a fine with a further term of imprisonment in the event of default, the aggregate of such terms shall not exceed 10 years and 1 year respectively.

#### *Article X.—JURISDICTION.*

The jurisdiction of the Allied Military Courts extends over:

1) All persons except:

- a) Members of the Allied Forces, and
- b) Prisoners of war.

2) All offences:

- a) Against the laws and usages of war;
- b) Under any proclamation, order or regulation issued under the authority of the Allied Military Government;
- c) Against the laws of the territory.

#### *Article XI.—GENERAL POWER OF COURTS.*

1) An Allied Military Court may make such orders and do all such acts and things as may be requisite for the due administration of justice.

2) An Allied Military Court, in lieu of or in addition to any other punishment, may

a) Where any person is convicted of the wrongful use, sale, purchase or possession of any property (including money), order restitution or compensation to the owner or confiscation or forfeiture of such property to the Allied Military Government;

b) Where any person is convicted of an offence involving the improper use of any place of residence or business, order that such place be vacated or closed for a period of time to be fixed by the court;

c) Order that a convicted person shall reside in or be excluded from a particular area.

**Article XII.—REVIEW AND CONFIRMATION OF DEATH SENTENCES.**

Section I: Right of Petition.—Any person convicted by an Allied Military Court may, within thirty days after the imposition of sentences, present to the trial court or the Provincial Legal Officer a petition, submitting reasons why the conviction should be set aside or the sentence should be modified.

Section II: Sentence of Death.—No sentence of death shall be executed unless and until confirmed in writing by me, or by a specified officer not below the rank of Brigadier-General or Brigadier to whom I may have delegated such power in writing.

**Article XIII.—EFFECTIVE DATE.**

This proclamation will become operative in each province or part thereof within the said territory of VENEZIA GIULIA on the date of its publication therein.

**DATE OF FIRST PUBLICATION.**

The above Proclamation was first published in the  
Province-Comune on the            day of  
1945, by

HAROLD R. L. G. ALEXANDER

*Field-Marshal,*

*Supreme Allied Commander*

*Mediterranean Theatre of Operations.*

(State method of publication).  
Signature of Publishing Officer.

## **Administrative Instruction—Education, No. 4**

### **SPECIAL ORDERS AND AUTHORIZATION FOR OPENING AND FUNCTIONING OF SCHOOLS IN VENEZIA GIULIA, ALLIED MILITARY GOVERNMENT**

#### **I.—Italian Law**

1.—All existing Italian Laws and regulations prior to September 1943, relative to the educational system and the functioning of the schools shall continue in full force except where the present orders and authorizations negate, replace or supplement them. In general it is the policy of the Allied Military Government to avoid any change in the legal situation, the administrative organization, or the school program, except where changes are necessary to eliminate Fascism or to make schools function effectively.

2.—The Italian Minister of Public Instruction has no jurisdiction over the territory of Venezia Giulia under Allied Military Government. All public and private schools are under the jurisdiction of Allied Military Government—13 Corps, Education Division.

#### **II.—Administration**

1.—As Area Superintendent of Schools you will be

<sup>1</sup> Not printed.

responsible for the organization and administration of all elementary schools of the Area.

2.—You will first put in order the Office of the Superintendent and employ sufficient staff to operate the schools efficiently. These appointments must have the approval of the Area Commissioner.

3.—With the approval of the Chief Education Officer, you will be responsible for the confirmation of all Heads of secondary schools, and all Inspectors and Directors of elementary schools in the Area, who are not suspended (see IV below). To replace any such officials who may be absent or any who may not be approved, you will appoint (with the approval of the Chief Education Officer of the Allied Military Government) other qualified persons "incaricati" for terms not to exceed one year.

#### **III.—Opening of Schools**

1.—All schools will be opened on a date fixed and notified to you by the Area Commissioner.

2.—Before any given school is opened you will give a copy of Administrative Instruction No. 5<sup>1</sup> to the Head of

the secondary school, or the Inspector and Director of the elementary school concerned.

3.—You will be personally responsible for seeing that no Fascist doctrine is taught and no Fascist rites, ceremonies or symbols are used, and no anti-Allied propaganda is promulgated in any school under your jurisdiction.

4.—Asili and Private Schools will also be opened at the earliest time possible. These will first have the approval of the Area Commissioner. They will be under the general supervision of the Superintendent of Schools, especially in regard to the use of approved programs and textbooks and the avoidance of Fascist activities and propaganda.

#### **IV.—Defascism**

1.—Within 10 days you will submit to the Area Commissioner, for the Chief Education Officer, Schede Personali for all Heads of secondary schools and all Inspectors and Directors of elementary schools in the Area along with recommendations concerning their retention or suspension. For those who are unable, through absence or other cause, to submit Schede you will submit a list of such persons who should be suspended or confirmed and give reasons for your recommendations in each case.

2.—It will be your responsibility to submit Schede Personali for teachers of all grades and for all employees of your administration to the Public Instruction Section of the Area Commission for Epuration.

3.—You will be notified in writing by the Area Commissioner of those whom he has suspended. Following such notice you will transmit this information to the individual concerned notifying them of their right to appeal before an Area Commission. Personnel suspended or dismissed by the Area Commission for Epuration, will be dealt with in accordance with General Order No. 7.

4.—Such persons as are suspended must be replaced by "incaricati", by persons whom the Superintendent of Schools considers to be trustworthy, non-fascist and competent. The names and positions of such persons must be submitted to the Area Commissioner for the Chief Education Officer. Within 10 days, a completely filled out Scheda Personale for each of these officials must be submitted to the Area Commissioner for transmission to the Chief Education Officer and approved by him. Until such approval is obtained, all appointments shall be regarded as provisional.

5.—All newly-appointed Heads of secondary schools and all newly appointed Inspectors and Directors of elementary schools shall be "incaricati".

6.—In complying with the foregoing your attention is called to General Order No. 7 of the Allied Military Government on the basis of which the following persons are suspended from service:

a) Any person, particularly one in high office, who has participated actively in the political life of Fascism, or, by showing himself as a consistent apologist of Fascism, has shown that he is unworthy of serving the State.

b) Any person who has obtained an appointment or promotion through favoritism of the party or of Fascist officials of high rank.

c) Any person who has been guilty of active Fascist partisanship or corrupt practice.

d) Any person who has held the position of "Squadrista," "Sansepolcrista", "Antemarcia" "Marcia su Roma", "Sclarpa Littorio" or who has been an officer in the Fascist militia.

e) Any person who, after 8 September 1943, followed the Fascist Government to the North of Italy, or who has pledged allegiance to or has in any way collaborated with said Fascist Government.

#### **V.—Transfers of Teachers**

1.—Transfers of teachers and other school personnel during the school year will be kept to a minimum and only considered where really necessity exists. Transfers from lower to higher position will be considered only in exceptional cases.

2.—Request for transfer may be made by the teacher or other person concerned to the Superintendent of Schools in the Area in which the person in question is residing at the time.

3.—Any Superintendent, convinced of the need for a transfer, may, either on his own initiative or on request of the person concerned, make appropriate application to the Area Commissioner for transmission to the Chief Education Officer.

4.—With the approval of the Senior Civil Affairs Officer, teachers in one Area may be given "comandi" for service in another Area in Military Government territory for periods not to exceed one school year.

#### **VI.—Organisation of Schools**

1.—You will submit to the Area Commissioner for transmission to Headquarters 13 Corps Allied Military Government the following information at the earliest possible date:

a) Names of all Presidi and other secondary schools—Heads and the name and type of school which each will direct.

b) Names of Inspectors of elementary schools and the commune under the jurisdiction of each.

c) Names of Directors of elementary schools and the "circle" each will direct.

d) A list, on the form provided, of all schools in the Area which operate normal times.

2.—The organisation of asili and elementary schools will remain the same as that which existed during the past year.

3.—The Scuola Media Unica will be known as the Scuola Media Inferiore. Its essential structure will remain unchanged but all Fascist elements will be removed and replaced. The course of all Scuole Medie Inferiori will be three years in length.

4.—Whether independent or attached to an Istituto Magistrale, an Istituto Tecnico, a Liceo Scientifico, or a Ginnasio Superiore and Liceo Classico, certificate of graduation from any Scuola Media Inferiore will admit any student to any type of higher secondary school.

5.—Superior Secondary Schools will be as follows:

- a) Istituto Magistrale—four years
- b) Istituto Tecnico—five years
- c) Liceo Scientifico—five years
- d) Ginnasio Superiore—two years
- e) Liceo Classico—three years

6.—When a Superintendent of schools finds that in a commune there are a number of children desiring secondary education, that no appropriate secondary school exists in that Commune, and that there is no adequate transportation available to enable children to attend an existing secondary school in a neighboring Commune, the Superintendent of schools is authorized, upon approval by the Senior Civil Affairs Officer to arrange with a secondary school in another commune to establish classes "distaccate" in the commune which needs them.

7.—Elementary schools conducted in the Slovene or Croat language for Slovene or Croat students will be opened wherever needed and will be allotted in proportion to the Slavic population of each locality. The opening of each such school will be approved by the Senior Civil Affairs Officers. Locality number of students enrolled, number of personnel employed and their qualifications will be listed in the request for approval of each new school.

8.—Secondary schools conducted in the Slovene Language for Slovene students will be opened upon approval of the Senior Civil Affairs Officer. Approval of new secondary schools will be based on:

- a) Number of students enrolled
- b) Qualification of teachers
- c) School buildings available.

## VII.—Programs of Study

1.—Programs for all elementary and secondary schools in whatever language conducted, shall be those authorized by the Senior Civil Affairs Officer. The Superintendent of schools will be responsible for the execution of this order.

2.—For the schools of "Avviamento Professionale" and the "Scuole tecniche" no new programs have been prepared. Directors and teachers of such schools may use as a base the old programs with all elements of Fascism removed, but may modify these programs freely to fit local conditions and needs.

## VIII.—Textbook

### 1.—Anti-fascist materials

(a) You will be personally responsible for seeing that no textbooks containing fascist or anti-ally propaganda are used in any schools under your jurisdiction. Appendix "B" in the "Elenco Ufficiale", which accompanies this Administrative Instruction, lists certain books which contain such propaganda and which must be immediately confiscated. Appendix "C" Lists books which may be temporarily used after the removal of the pages indicated. Appendix "D" is a list of books approved to date for use.

(b) An order is being sent to the Area President of each Area requiring him to confiscate from schools and bookstores all books listed in Appendix "B". You will receive later instructions as to the ultimate disposition of these

books. You will order Heads of secondary schools and Directors of elementary schools to segregate and store in locked room or turn over to the Communal President all books containing Fascist propaganda including those of Appendix "B" as shown in the abbreviated pamphlet "Defascistizzazione dei libri di testo" a copy of which you will send to each school-Head, Inspector and Director (sufficient copies are enclosed herewith). School Heads and Directors will report to you and you in turn will report to the Area President the number of such books segregated and the location where they are stored.

You will be responsible for inspecting schools and bookstores and reporting to the Area President failure to obey these orders.

(c) You will obtain from the Communal President and furnish to the Area Commissioner for transmission for the Chief Education officer a list of all books confiscated, the number of each, and the location in which they are stored.

### 2.—Elementary School Textbooks

The Superintendent of Schools will recommend to the Area Commissioner, for reference to the Chief Education officer, a list of persons to form two Committees (one Slav and one Italian) on elementary school text books. The committees will, at the earliest possible moment, recommend for use for the school year 1945-46 any existing text books or proposed manuscripts which are free from fascist or other political propaganda, and are in accordance with the official programs, and are otherwise suitable in content and price for use in the elementary schools. The Superintendent of Schools will immediately submit these recommendations to the Area Commissioner for the Chief Education officer. Only such books as are approved by the Chief Education Officer will be sold or bought, or used in the schools.

### 3.—Secondary School Textbooks

In all secondary schools, public and private, only textbooks authorized by the Education Division, 13 Corps AMG, shall be used. Appendices B, C, D, in the accompanying "Elenco Ufficiale" list textbooks that are condemned and those that are approved. Books not included in these lists or supplements hereto are to be treated under two categories as follows:

(a) Textbooks in Greek, Latin, Mathematics, and physical sciences, and purely technical books in the applied sciences or arts, may be approved by the Superintendent of Schools, subject to the approval of the Area Commissioner, provided that a list of such approved books must be sent by the Superintendent of Schools through the Area Commissioner, to the Chief Education Officer with title, author, publisher and price of each.

(b) The Superintendent of Schools shall send to the Area Commissioner for the Chief Education Officer, a sample of each book which he wishes to have approved for use in schools under his jurisdiction. He may use such books temporarily pending a decision from the Area Commissioner.

### 4.—Price of Textbooks

(a) The maximum sale price of all books have been established as follows:



- For folio sizes up to 70×100 cm., for each printed sheet of 16 pages, L. 5.
- For folio sizes over 70×100 cm., for each printed sheet of 16 pages L. 6.
- For illustrated books (at least one illustration to each to sixteen-page folios, included in the text or outside of text), an increase of 15% on price fixed on number of printed sheets as above.
- For geographical atlases, albums of design, albums of history, of art and for special publications, an increase of 100% over the original cover price.

(b) For special books and new editions the price will be fixed by Allied Military Government from time to time according to the request made by the interested publishers. The new price must appear on a small label on which will be clearly indicated: The name of publishing House, the new price and the statements "price authorized by Allied Military Government".

(c) No other increase will be made in these new prices. The booksellers will receive a discount of 25% on secondary school textbooks, 20% on elementary school textbooks. The general tax rate remains in force.

(d) Any book may be sold at a price lower than that fixed above; but no book shall be bought or sold at a higher price.

(e) The price of elementary school textbooks shall be that printed on the cover. Alternation of this price or the sale of books at a higher price is strictly forbidden.

#### 5.—Publication and sale of textbooks:

(a) No textbooks shall be published except as authorized in writing by the Education Division, Allied Military Government.

6.—Elementary school textbooks for 1946–47 must be approved by proper authority before publication. Applications and manuscript for such textbooks must be submitted to the Area Commissioner for transmission to the Chief Education Officer.

7.—With the approval of the Area Commissioner, the Superintendent of schools is authorized to purchase, for resale to students, textbooks, quaderni and school supplies, whenever insufficiency of means of commercial distribution, or prices charged by commercial organization, make such action desirable.

### IX.—Students

1.—Superintendents of Schools are authorized to permit transfer of students at any time from any school to another of the same level.

2.—Fees of the Scuola Media Inferiore shall be the same as those charged for the Scuola Media Unica formerly.

3.—Other tuition fees will remain the same as those charged during the school year 1942–43.

4.—With the approval of the Area Commissioner the Superintendent of Schools may provide for examinations of students in secondary schools at other than the regularly specified times and places.

### X.—Buildings and Equipment

1.—The Superintendent of Schools will consult with

Communal Presidents concerning necessary buildings, location, temporary repairs of buildings and the requisition of other buildings for school purpose when buildings have been damaged or destroyed.

2.—Where necessary the Superintendent of Schools will assist in finding locations for school purpose. He may, when necessary, require teachers to hold classes in their own houses.

3.—Within thirty days from receipt of these orders, the Superintendent of schools will report on the condition of all school buildings of the Area to Area Commissioner, naming those damaged or destroyed, and those occupied by troops, refugees, and other personnel, with the address of each and an exact description of any civilian occupying group.

### XI.—Financing Schools

#### 1.—Budgets

(a) For the payment of elementary teachers' salaries, and for other expenses of the Superintendent's office the Superintendent of Schools will prepare and file with the Intendenza di Finanza proper form furnished by the Area Financial Officer.

(b) The Superintendent of Schools will see that each Head of secondary school prepares and files with the Intendenza di Finanza the necessary budgets.

#### 2.—Payment of Teachers' Salaries

(a) The treatment accorded to teachers will conform in principle to that approved for other public employees.

(b) The procedure of payment will be according to the laws and regulations in force, subject to any amendments by Allied Military Government.

(c) With respect to unpaid salaries relating to periods during the Fascist regime, the Intendente di Finanza will supply the details for processing of such claims.

(d) Salaries for the period subsequent to the Nazi-Fascist regime will be provided through the normal budget system referred to in the preceding section.

(e) All school personnel "di ruolo" will be paid according to para a) above.

(f) School personnel "incaricati" will be paid as from the first day of the month in which they begin service.

(g) School personnel "supplenti" will be paid for the actual days of service.

(h) Full salary will be paid to a person proposed for suspension or dismissal until such time as Allied Military Government or the Epuration Commission takes final action of suspension or dismissal.

### XII.—G. I. L. (Gioventu' Italiana Littorio)

#### 1.—Activities and properties of GIL

(a) All activities carried on by ex-GIL are suspended.

(b) The Superintendent will as soon as possible arrange to take over from the Intendenza di Finanza all ex-GIL property which is necessary or desirable for the training, recreation, or welfare of children or youth.

(c) He will give the Intendenza di Finanza a receipt for such property and from the personnel dependent from his

office he will appoint a custodian or custodians to take care of such property.

(d) He will transmit copies of the inventory to the Area Commission for the Chief Education Officer.

(c) Temporary concession for use of movable and immovable property belonging to ex-GIL may be accorded—with such precautions for its safety as in each case may appear appropriate—only by the Superintendent of Schools concerned, and solely for school purpose or to youth organizations of a cultural, recreative, sportive, or charitable character.

(f) Subject to proof of right to continued employment under the Allied Military Government orders on defascism, teachers of physical education previously employed by the ex-GIL will be temporarily assigned, under the jurisdiction of the Superintendent of Schools to the secondary schools of the Area.

## 2.—Payment of Salaries of Physical Education Teachers

(a) Payment of salaries will be according to Section XI, para 2a.

(b) The Superintendents of Schools will make such payments as they think due, reserving rights of adjustment later. It is considered advisable that such allowances only be paid as are provided for a professor "incaricato" with a maximum of 26 hours of teaching.

## 3.—Dismissals of former G.I.L. employees

(a) The Superintendent of schools will dismiss all personnel "di ruolo" of ex-GIL who have not been previously dismissed by order of the Allied Military Government (other than physical education teachers who will be dealt

with as in paras 1 and 2 above). They will be paid whatever indemnities are due to them under the existing law.

(b) Temporary employees of ex-GIL will also be dismissed by the Superintendent who will pay them an allowance or half a month's pay for every year of service.

## XIII.—School Lunches

1.—The Allied Military Government will, as far as possible make available to "asili" and elementary schools in each commune a given amount of suitable foods for school lunches. The price to be paid by the Commune, will be fixed by arrangement between the Communal President and the Consorzio Agrario.

2.—It is the responsibility of the Superintendent of Schools through "Direttori Didattici", to cooperate with the Communal Presidents in making provision in each elementary school for the preparation and serving of the lunches.

3.—Full instructions will be sent to the Area President to all Communal Presidents as to how to apply for these lunches.

## XIV.—Reports

During the first month you will report weekly and thereafter monthly to the Area Commissioner for the Chief Education officer concerning the status of the schools in your area, and will include the statistical reports called for on forms which will be furnished to you by the Chief Education Officer.

*August 1945*

ALFRED C. BOWMAN

*Colonel J. A. G. D.*

*Senior Civil Affairs Officer*

## Current United Nations Documents: A Selected Bibliography

There will be listed periodically in the BULLETIN a selection of United Nations documents which may be of interest to readers.

Printed materials may be secured in the United States from the International Documents Service, Columbia University Press, 2960 Broadway, New York City. Other materials (mimeographed or processed documents) may be consulted at certain designated libraries in the United States.

### General Assembly

Committee on the Progressive Development of International Law and Its Codification. Memorandum by the Delegate for France. Draft Texts Relating to the Principles of the Charter and Judgment of the Nuremberg Tribunal. A/AC.10/34, May 27, 1947. 8 pp. mimeo.

—Draft Declaration on the Rights and Duties of States. A/AC.10/39, June 5, 1947. 9 pp. mimeo.

—Report of the Rapporteur, Professor J. L. Brierly, on Item 3 (a) of the Agenda. A/AC.10/40, June 5, 1947. 11 pp. mimeo.

—Draft Convention for the Prevention and Punishment of Genocide (Prepared by the Secretariat). A/AC.10/42, June 6, 1947. 9 pp. mimeo. Also, A/AC.10/42/Add. 1, June 10, 1947. 1 p. mimeo.

—Continuation of the Report of the Rapporteur. A/AC.10/43, June 6, 1947. 3 pp. mimeo. Also, A/AC.10/46, June 10, 1947. 2 pp. mimeo.

### Atomic Energy Commission

Proposals on Atomic Energy Control Submitted by the Representative of the Union of Soviet Socialist Republics at the Twelfth Meeting of the Atomic Energy Commission on 11 June 1947. AEC/24, June 11, 1947. 5 pp. mimeo.

## ONE YEAR OF THE PHILIPPINE REPUBLIC

by Edward W. Mill

*On July 4, 1947, the Republic of the Philippines will have completed its first year as an independent nation. Born into the family of nations on July 4, 1946, after a historic 48-year period under the American flag, the new republic faced immensely difficult and challenging problems with independence. This article summarizes and analyzes the encouraging progress made by the Republic of the Philippines during the first year of independence.*

On July 4, 1946, in the city of Manila in the Philippines, a new republic was born. This republic, to be known as the Republic of the Philippines, was born after years of struggle for independence on the part of the Filipino people. Under the American flag this had been a peaceful struggle for independence, a struggle whose objective had had the warm sympathy and interest of the American people. Finally on July 4, 48 years after the United States entered the Philippines, the American flag was lowered and the Philippine flag raised as a symbol of the coming of age of the Philippine nation.

Not only did the Far East note the granting of independence to the Filipino people, but also the world as a whole showed keen interest in the birth of the new republic. Well known to the world was the fact that the Philippine nation had suffered incalculable damage and destruction during the recent war; well known to the world was the fact that the Philippines faced tremendous problems in rehabilitation and reconstruction. Independence at any time was a challenge, but independence at a time of national disaster and crisis seemed even more difficult. Knowing this fact, many questioned the advisability of the Philippine ship of state's being put adrift in the seas of independence in such a period of economic and political stress and strain.

Today, one year after independence, the Filipino people have given their answer. Thanks to their magnificent efforts and to the continued close cooperation between the United States and the Philippines, the seemingly impossible has been done and the Philippine Republic launched safely and securely into the family of nations.

### Problems of Independence

In order to appreciate the nature of the difficulties facing the Philippine nation in July 1946, a brief review of the situation at that time is appropriate.<sup>1</sup> Among the major problems facing the new Republic were the following: economic reconstruction and rehabilitation; financial crisis; law and order and the problem of agrarian unrest; assistance to Philippine veterans; and development of the machinery for conducting relations with other nations.

Perhaps most serious and immediate of all these problems facing the Philippines was the problem of economic reconstruction and rehabilitation. Paul V. McNutt, United States High Commissioner and later Ambassador to the Philippines,

<sup>1</sup> For a fuller description of these problems at the time of independence, see the articles by Mr. Mill in the BULLETIN of June 9, 1946, p. 980, and Sept. 15, 1946, p. 475, entitled "The Philippines Prepares for Independence" and "The New Republic of the Philippines".

and many other leading Americans who visited the Philippines stressed the critical situation facing the country as a result of the war.<sup>2</sup> Ambassador McNutt, reviewing conditions in the Philippines, on November 27, 1946, described the Philippines as . . . a land ravaged, brutalized, burnt over, destroyed, economically crippled, psychologically shocked, and physically devastated . . .<sup>3</sup> So far as sheer physical destruction of the country was concerned, the Ambassador summarized the situation in the following words:

Before the war the total assessed value of the Philippines was estimated at about two and a half billion dollars. The estimated war damage, at pre-war replacement and repair cost, is estimated at one billion dollars. Yet even this is a completely misleading figure. Since liberation there has been an inflation of approximately 500 per cent. Basic commodities, including construction materials, transportation, and food, cost exactly five times what they did five years ago. If it were economically sound to estimate reconstruction cost on present values . . . which it is not, it would cost approximately five billion dollars to repair the war damages to the Philippines.<sup>4</sup>

In the all-important field of trade relations, the Philippines found its trade economy virtually at a standstill as a result of the war. The Philippine Government faced the necessity of restoring trade relations as soon as possible. Until steps in this direction were taken, Philippine economic recovery would be certain to be seriously retarded.

On the financial side President Roxas made it urgently clear that his Government faced a grave and immediate budgetary crisis and requested assistance from the United States as soon as possible.

In the matter of law and order, the Philippines faced difficult problems as a result of the war. Agrarian groups such as the Hukbalahaps had seized arms from the Japanese during the occupation and were determined to obtain redress of their grievances from the Government. The administration of President Roxas was faced with the dual problem of restoring law and order within the disaffected areas and at the same time pre-

paring and carrying out a broad program of agrarian reform. Without substantial agrarian reform it would have been extremely difficult to have achieved any degree of law and order regardless of the force which may have been expended for this purpose.

Of pressing concern also to the Roxas administration was the need for granting assistance to the veterans of the Philippine Army who had fought with the United States during the recent war and the guerrillas who had been recognized officially by General MacArthur's headquarters and had contributed vitally to the success of the Philippine campaign. Prevented from obtaining certain essential rights from the United States as a result of technical barriers, the Roxas administration sought the assistance of the United States and prepared to take such steps as were possible to aid the Philippine veterans.

Of less pressing concern but of vital importance to the development of the Philippines as an independent member of the family of nations was the need for developing essential machinery for the conduct of Philippine foreign relations. A Philippine Department of Foreign Affairs was needed, a Philippine Foreign Service was required, and certain basic agreements with other countries were essential for Philippine participation in the community of nations.

In addition to these major problems, there were a host of problems of approximately equal or less importance demanding the attention of the new Republic. These included the rehabilitation of the educational system of the country, the streamlining of the administrative machinery of the central government, the reorganization and revitalization of the Army, and the training of numerous young Filipinos in various Government and technical skills.

### **Progress of the Philippine Republic**

Under the vigorous and wise statesmanship of President Roxas, whom former Ambassador McNutt has described as "the equal of any head of Government today",<sup>5</sup> the Philippines has energetically set out to meet and solve the vexing and challenging problems which confronted it in its infancy as a nation.

### *Basis for Revival of Philippine Trade*

One of the most basic of all the problems facing

<sup>2</sup> See Report on the Philippine Islands by Senator Millard Tydings made after his return from the Islands on June 7, 1945 (S. Doc. 53, 79th Cong.); radio address of Paul V. McNutt, Feb. 23, 1946; and other addresses by Mr. McNutt.

<sup>3</sup> Address by Paul V. McNutt, Ambassador to the Republic of the Philippines, before the Beta Theta Pi Fraternity, Indianapolis, Ind., on Nov. 27, 1946.

<sup>4</sup> *Ibid.*

<sup>5</sup> *Ibid.*

the Republic has been the restoration of the trade economy of the country. In United States Public Law 371, approved April 30, 1946, known as the Philippine Trade Act of 1946 or popularly as the Bell act, provision was made for continuing close Philippine-American trade ties after independence. The act specified that during the first eight years of its life (until 1954), duty-free trade would exist between the two countries, at the end of which time Philippine and American products coming into the country of the other would begin to be assessed duty progressively at the rate of 5 percent each year until 1974 when all preferential trade relations would cease and the full duties would be imposed by each country. A system of quotas is also established by this act. During the period from January 1, 1946, to July 3, 1974, in lieu of the system of graduated tariffs, special declining duty-free quotas were established for cigars, scrap tobacco, stemmed and unstemmed filler tobacco, coconut oil, and buttons of pearl or shell. An Executive agreement to carry out the terms of the Philippine Trade Act was signed in Manila on July 4, 1946, by representatives of the two Governments.

The Roxas administration during the first year of independence actively engaged itself in steps to bring this act fully into force. On December 17, 1946, President Truman proclaimed the trade agreement carrying out the act and the accompanying exchange of notes of October 22, 1946.<sup>6</sup> President Roxas in turn proclaimed his Government's acceptance of the act on January 1, 1947.<sup>7</sup> In accordance with the provisions of the act, the President of the United States then proclaimed the trade agreement as having officially entered into force on January 2, 1947.<sup>8</sup>

*Philippine acceptance of parity.* Although the trade agreement was officially proclaimed as having entered into force on January 2, 1947, a still further step remained to be taken by the Philippine Government before continuance of the act could be insured. This remaining act involved the acceptance of the so-called parity or equal rights amendment. This provision (section 341) of the Philippine Trade Act reads as follows:

The disposition, exploitation, development, and utilization of all agricultural, timber, and mineral lands of the public domain, waters, minerals, coal, petroleum, and other mineral oils, all forces and sources of potential en-

ergy, and other natural resources of the Philippines, and the operation of public utilities, shall, if open to any person, be open to citizens of the United States and to all forms of business enterprise owned or controlled, directly or indirectly, by United States citizens.

This section necessitated an amendment to the Philippine Constitution and provoked considerable controversy in the Philippines.<sup>9</sup> The Philippine Congress referred the matter to the electorate for decision in a national plebiscite. In the intervening weeks before the plebiscite, which was held on March 11, 1947, President Roxas made one of the most intensive campaign tours of the entire island network ever undertaken by a Philippine official. In speech after speech he appealed to the Philippine electorate to support the proposed amendment on the grounds of compelling national self-interest and the need for close continuing ties with the United States.<sup>10</sup> By the time the plebiscite was held on March 11, the Roxas administration had successfully countered most of the arguments of the opposition and a tremendous majority of the people voted in support of the parity amendment. This amendment is now in full effect.<sup>11</sup> Vice President Quirino, visiting the United States in May 1947, repeatedly called attention to the provisions of the trade act and urged American capital to take advantage of its opportunities in the Philippines.

*Over-all foreign trade in 1946.* While the Philippine Government was taking steps to build

<sup>6</sup> BULLETIN of Dec. 29, 1946, p. 1190.

<sup>7</sup> BULLETIN of Jan. 19, 1947, p. 129.

<sup>8</sup> *Ibid.*

<sup>9</sup> Art. XIII, sec. 1, of the Philippine Constitution read as follows: "All agricultural, timber, and mineral lands of the public domain, waters, minerals, coal, petroleum, and other mineral oils, all forces of potential energy, and other natural resources of the Philippines belong to the State, and their disposition, exploitation, development, or utilization shall be limited to citizens of the Philippines, or to corporations or associations at least sixty per centum of the capital of which is owned by such citizens, subject to any existing right, grant, lease, or concession at the time of the inauguration of the Government established under this Constitution."

<sup>10</sup> See the address by President Roxas before the University of the Philippines Alumni Association in Manila on Sept. 28, 1946; the speech before the Philippine Bar Association on Oct. 12, 1946; and his speech before the faculty and student body of the University of the Philippines on Nov. 19, 1946.

<sup>11</sup> Joint Resolution of the Congress of the Philippines, adopted Apr. 9, 1947.

the groundwork for restoration of the trade economy of the islands, figures showed that the trade life of the country was again slowly reviving. During 1946 exports of Philippine products totaled ₱106,057,387—not including re-exports amounting to ₱22,317,662. By way of comparison, Philippine exports in 1940 totaled ₱305,320,000. Of the 1946 exports about 73 percent or ₱76,360,000 went to the United States. France, Great Britain, Canada, and Norway also received Philippine exports. On the import side, the Bureau of Census and Statistics reported total imports of ₱591,717,149, of which ₱513,244,000 or 87 percent came from the United States and Hawaii. Total Philippine imports in 1940 were ₱269,462,542.

The above figures show that Philippine trade is again reviving. This trend must continue if the country is to prosper and to maintain the standard of living of the past. The size of the present import trade is, of course, in excess of normal import requirements, because of the devastation caused by the war, and time will undoubtedly bring a readjustment in import figures.

With the Executive trade agreement serving as the core of Philippine trade development, the Roxas administration expects to continue to strengthen the Philippine trade position in the years to come.

### *Progress of Rehabilitation Program*

Substantial progress in the tremendous task of Philippine reconstruction was made during the first year of Philippine independence. Basic to the progress of the rehabilitation program was

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<sup>12</sup> Indicative of the careful work which must go into the investigation of each claim is the following statement of the War Damage Commission: "Each claim received must be screened, indexed, and docketed. Claims must be given a preliminary examination, and the amount of damage or insurance payments requested from or made by any other agency of the Government or by an insurance company must be determined. The title to the property lost or damaged must be investigated, and the original cost and replacement value of the loss must be determined. The Commission must ascertain whether replacement of the specific property lost shall be required, and whether surplus property may be used in partial or complete settlement of the claim. The amount of payment to be awarded must be determined and certified, and the accounting records completed." (United States Philippine War Damage Commission, Manila, *First Semiannual Report for Period Ending December 31, 1946*, United States Government Printing Office, Washington, 1947, p. 4.)

Public Law 370, known as the Philippine Rehabilitation Act of 1946. This act created a Philippine War Damage Commission empowered to pay out 400 million dollars in war-damage claims to Philippine and American claimants, provided for the granting to the Philippine Government without reimbursement of surplus property the "fair value" of which was not to exceed 100 million dollars, and authorized the spending by United States agencies of over 120 million dollars in various rehabilitation and training projects in behalf of the Philippines.

In addition to the Rehabilitation Act passed by the United States Congress, the Philippine Government also took steps to further reconstruction of the devastated land. Among these measures was the establishment of a Philippine Rehabilitation Finance Corporation. Philippine agriculture, hard hit by the war, also was a subject of intensive study by the Philippine Government, and a special United States Agricultural Mission was sent to the Philippines by the Department of Agriculture at the request of the Philippine Government. Some discussion and planning was also undertaken with regard to small-scale industrialization in the Philippines.

*Implementation of the Philippine Rehabilitation Act: War Damage Commission.* The Philippine War Damage Commission, composed of Frank A. Waring, Francisco A. Delgado, and John O'Donnell, faced one of the most difficult tasks facing any rehabilitation agency in the Philippines. The Commission estimated that one third of the families in the Philippines had suffered property losses and that at least 900,000 individual claims for compensation and 100,000 claims of firms, corporations, and others, as well as about 1,000 consolidated claims of Government agencies and entities would be filed. With payments to claimants limited to a total of 400 million dollars, it was obvious that the Commission faced tremendous difficulties in effecting a satisfactory settlement of all claims.<sup>12</sup>

Despite the difficult nature of the task assigned it, the Commission made commendable progress during the past fiscal year. The Commission was organized with six major operating divisions, offices set up in the Philippines, and personnel recruited for the complicated tasks involved. On December 16, 1946, in a special ceremony held in

Manila before a convention of provincial governors, treasurers, district engineers, and superintendents of schools, Chairman Waring and Commissioner Delgado presented an advance payment of one million dollars to the Philippine Government on the first claim filed by that Government under the provisions of the Rehabilitation Act. This payment inaugurated the program of payments, and since that time the War Damage Commission has been endeavoring to speed up the payment of claims to both private and public claimants. The work undertaken by the Commission is of prime importance in the economic recovery of the Philippines.

*Surplus property.* Title 2 of the Philippine Rehabilitation Act of 1946 authorizes the granting to the Philippines without reimbursement of surplus property, the "fair value" of which is not to exceed 100 million dollars. The Office of the Foreign Liquidation Commissioner of the Department of State has been responsible for carrying out the provisions of this portion of the Rehabilitation Act. By February 28, 1947, 154 million dollars' worth of surplus property at procurement cost had been turned over to the Philippines. It was estimated that these goods had a "fair value" of 45 million dollars and that they thus represented a 45 percent completion of the 100 million dollars' worth of surplus property to be transferred under the provisions of the act.<sup>13</sup>

In order to handle the transactions in surplus property, President Roxas appointed on November 18, 1946, a Surplus Property Commission composed of Placido L. Mapa, Arsenio N. Luz, and Gabriel K. Hernandez. This Commission performed a most important function but was confronted with numerous difficulties. Among these difficulties was that of countering numerous charges of irregularities hurled at it by some Philippine Congressmen. Committees of the Philippine Congress conducted investigations of surplus-property transactions during May 1947.

*Progress of United States rehabilitation agencies.* Under title 3 of the Rehabilitation Act of 1946, provision is made for the operation in the Philippines of eight different United States Government agencies during the period 1946 to 1951. These agencies—the Public Roads Administration, the Army Corps of Engineers, the Public Health Service, the United States Mari-

time Commission, the Civil Aeronautics Administration, the Weather Bureau, the Fish and Wildlife Service, and the Coast and Geodetic Survey—are authorized to engage in various programs of rehabilitation, reconstruction, and training for the Philippines. Their contributions to Philippine rehabilitation are considered to be of an indispensable character, and their progress in carrying out their mandate under the Rehabilitation Act has been closely watched.

At the present time each of these agencies maintains an office in Manila and has a staff assigned to carry on its work. The agencies are functioning under the over-all supervision of the United States Embassy in Manila. Through the Embassy, individual agencies have concluded a number of operating agreements with the Philippine Government. At the Washington end of the rehabilitation program, the State Department continues, in accordance with the mandate of the Congress, to allocate the rehabilitation appropriation among the eight participating agencies. Close liaison is maintained between the Department and the agencies concerned.

Through the work of these agencies the Philippines is getting a start in rebuilding its roads and bridges, its ports and harbors; in expanding and improving its health services; in developing its system of inter-island commerce; in developing its aeronautical facilities; in creating an adequate system of weather service; in developing its fishing industry; and in carrying on the work of coast mapping and surveys. Each United States agency has also undertaken to train a large number of Filipinos in technical and scientific skills,

<sup>13</sup> *Report to Congress on Foreign Surplus Disposal, April 1947.* (Department of State, Office of the Foreign Liquidation Commissioner, publication 2799.) The following table (from the same source, p. 25) shows the general nature and quantity of the items transferred on the basis of their fair value:

Machinery and construction equipment.....	\$10, 300, 000
Communication equipment.....	9, 100, 000
Ships.....	6, 000, 000
Railroad equipment.....	4, 500, 000
Medical supplies and equipment.....	4, 100, 000
Automotive equipment.....	4, 000, 000
Clothing, food, and miscellaneous.....	3, 100,000
Cash from sales of OFLC on behalf of Philippine Government.....	3, 900, 000
Total.....	\$45, 000. 000



so when the agencies withdraw in 1951 competent Philippine personnel will be available to take over their functions.

The Philippine rehabilitation program will be for the next few years a program of the greatest importance in the over-all rehabilitation of the Philippine economy.

*Rehabilitation Finance Corporation.* In a special message to the Philippine Congress on September 25, 1946, President Roxas declared that "one of our greatest economic needs is a source of credit from which loans can be made and at low rates of interest. Without such credit facilities, rehabilitation will be a slow and painful process."<sup>14</sup> The President urged the creation of a new Philippine Rehabilitation Finance Corporation to meet this need. In explaining the purpose of such a corporation, the President declared: "I have long contemplated the establishment of a huge national credit reservoir, a primary source of credit for government economic enterprises and for private enterprises . . . a source of credit that will start the wheels moving on rehabilitation and repair of war-damage property and permit us to plan and begin the larger and longer-term undertakings for the expansion of the national economy."<sup>15</sup> The President compared the proposed new Philippine corporation to the United States Reconstruction Finance Corporation in which, he stated, ". . . we have an excellent precedent" which "has been as instrumental as any single government agency, first in the recovery of private business from the deadly effects of the American depression of 1930, and second in the vast expansion of American industry and business which took place in the latter part of the recent decade."<sup>16</sup> The President proposed that the corporation be capitalized at 300 million pesos.

<sup>14</sup> Special Message of President Manuel Roxas delivered in the Session Hall, House of Representatives, on Sept. 25, 1946, reprinted in *The Problems of Philippine Rehabilitation and Trade Relations*, Manila, Bureau of Printing, 1947, p. 40.

<sup>15</sup> *Ibid.*, p. 42.

<sup>16</sup> *Ibid.*, p. 43.

<sup>17</sup> Message on the state of the nation by Manuel Roxas, Jan. 27, 1947, p. 59.

<sup>18</sup> Report of the American Agricultural Mission, December 1946, quoted from Frank S. Gaines, and José S. Camus, *Agricultural Conditions and Food Prospects in the Philippines*, UNRRA, Agricultural Rehabilitation Division, Philippine Mission, Manila, 1946.

In Republic Act no. 85 of October 29, 1946, the Philippine Congress concurred in the establishment of the Philippine Rehabilitation Finance Corporation proposed by President Roxas. Shortly thereafter, the President appointed Primitivo Lovina, Delfin Buencamino, Salvador Lagdameo, and Rafael Corpus as members of the new commission. This entirely new commission, designed to assist in the reconstruction of the country, will be closely watched for results both by observers in the Philippines and in the United States.

*Proposed industrialization.* President Roxas in his message on the state of the nation on January 27, 1947, declared that "the consistent thread running through the entire program I have outlined for the immediate future of our country is industrialization. This plan integrates with our power development projects, our vocational training program, our establishment of credit facilities, our promotion of geological researches and surveys, our invitation of American capital to invest here, and the proposed constitutional provision for special rights for American citizens."

The President went on then to point out that a firm of industrial engineers and technologists was surveying the industrial potentials of the Philippines as well as making a survey of industrial equipment in Japan. The President indicated that the Philippines planned to use the industrial equipment obtained from Japan in the development of various industrial enterprises in the Philippines. The President stated that "there is no reason why the Philippines cannot capture a share of former Japanese markets in this part of the world. No effort will be spared to achieve this goal."<sup>17</sup> Though many difficulties confront such a program of industrialization, it will be interesting to watch the progress that is made in this field during the next few years.

*Agricultural rehabilitation.* The war also resulted in the disruption of the agricultural economy of the country. This is especially significant when it is remembered that the majority of people in the Philippines are directly and vitally concerned with this economy. Estimates of the losses suffered during the war in the agricultural field show that 47 percent of the carabaos were lost, 57 percent of the horses, 80 percent of the cattle, and 70 percent of the chickens. Twenty-nine percent of the plows were estimated to be lost as well as 25 percent of the harrows.<sup>18</sup> Likewise



equipment essential to the processing of major agricultural products suffered heavy damage.

Realizing the need for over-all planning for the rehabilitation of Philippine agriculture, the Philippine Government in 1946 requested the appointment of a special United State Agricultural Mission to visit the Philippines and to make a survey of the situation and provide recommendations. This mission, headed by Dr. Leland E. Call and composed of Dr. J. H. Beaumont, H. C. Sanders, John V. Hepler, and Glen L. Taggart, visited the Philippines during July to September 1946 and made an extensive study of the prevailing agricultural situation in the Philippines with recommendations for improvement of the situation. Its report is basic reading for anyone concerned with the over-all rehabilitation of Philippine agriculture.

### *Financial Crisis*

From its inception as an independent nation, the Philippines has faced serious budgetary difficulties. President Roxas has made this budgetary crisis patently clear in various addresses to the Philippine Congress. In his budget message of February 11, 1947, transmitting the Philippine national budget for the fiscal year July 1, 1947, to June 30, 1948, the President recommended expenditures for fiscal 1948 of 134.5 million dollars. Revenues during fiscal 1948 are estimated at 65 million dollars; the deficit will thus, according to these estimates, amount to 69.5 million dollars. Comparison of these figures for fiscal 1948 may be made with those of the current fiscal year which show probable expenditures and receipts to be 127.2 million dollars and 61.3 million dollars respectively, and a deficit of 65.9 million dollars.<sup>19</sup>

The leaders of the Philippine Government have believed that the United States offers the best hope for financial assistance to the Republic. As a result of an urgent Philippine request, the United States Congress in Public Law 656, approved August 7, 1946, authorized the Reconstruction Finance Corporation to make a loan to the Philippines of 75 million dollars. Seventy million dollars of this loan has now been paid to the Philippines. Subsequent to the authorization of this loan, a Joint Philippine-American Financial Commission has been appointed to make an over-all study of the Philippine financial picture. This Commission, the American group of which has

been headed by Col. Edgar G. Crossman, has been in the Philippines since January 1947 and has now submitted a report of its findings. It is anticipated that the report of the Commission will be of invaluable assistance in paving the way for essential fiscal reforms in the Philippines and making clear the financial position of the Philippine Government. At the end of the first year of the Republic, its precarious financial position continued to be one of its most difficult problems.

### *Agrarian Unrest*

During much of the first year of its independence, the Republic faced the thorny problem of agrarian unrest, chiefly in the central Luzon provinces. The product of centuries of unrest and dissatisfaction on the part of small farmer groups, the problem reached more acute proportions during the war and after when groups such as the Huk-balahaps were formed to combat the Japanese and at the same time to press for substantial reforms. After the war these groups refused to surrender their arms and made strong demands on the Government.

The Philippine Government has apparently attempted to meet these problems in a twofold manner; by combining a program for the restoration of law and order with a program of reform measures. While military police units have been engaged in the task of bringing law and order into the dissident areas, a new farm tenancy act providing for a 70-30 division of the produce of the land has been passed by the Philippine Congress; steps have been taken to eliminate some of the more notorious practices of the usurer; church estates have been purchased for resettlement purposes; water projects have been blueprinted; and a number of other helpful steps have been taken. In this and other ways the Roxas administration hopes to bring about a long-range settlement of the problem. Considerable has been done; much more remains to be done before the problem can be considered as solved.

### *Collaboration Question*

During the war the overwhelming mass of the Filipino people remained loyal to the United States. A few of the top political leaders did, however, collaborate actively with the Japanese.

<sup>19</sup> President Roxas' special message on the national budget, Feb. 11, 1947.

Since the end of the war the Philippine Government has been engaged in steps to bring those accused of collaboration to trial. A People's Court was created by the Philippine Congress to conduct the trials and Solicitor General Lorenzo Tanada was designated to prosecute the accused. The prosecution has, however, been confronted with many difficult problems. Considerable talk was heard during the first half of 1947 concerning a general amnesty for accused collaborationists. At the end of the first year of the Republic Government, even though the future of the collaboration trials remained uncertain, the Philippine Government was moving ahead to bring to trial some of the more prominent of the accused collaborationists.

### *Pattern for National Security*

During the first year of the Republic important steps were taken to provide for the national security of the country. The two most important steps were the conclusion of a military-base agreement with the United States and the conclusion of a military-assistance agreement with the United States.

In Public Law 380, approved June 29, 1944, the Congress of the United States had authorized the President of the United States to negotiate with the President of the Philippines for the retention of such bases in the Philippines "as he may deem necessary for the mutual protection of the Philippine Islands and of the United States."<sup>20</sup> Similarly, the Congress of the Philippines in joint resolution no. 4, approved July 28, 1945, authorized the President of the Philippines to negotiate with the President of the United States for the retention of said military bases.

Acting under these authorizations, negotiations were then conducted by the two governments looking to the retention of United States military bases in the Philippines. After careful consideration of all the factors involved, a military-base

agreement was finally signed in Manila by the two countries on March 14, 1947.<sup>21</sup> This agreement stresses "the mutuality of interest" of the two countries in defense matters and proclaims the desire of the two countries to cooperate "in the common defense of their two countries through arrangements consonant with the procedures and objectives of the United Nations."<sup>22</sup> An annex listing the specific bases to be retained is attached at the end of the agreement.

*Military assistance.* The Congress of the United States also in Public Law 454, approved June 26, 1946, authorized the President of the United States to provide certain military assistance to the new Republic of the Philippines. The purpose back of the act, as stated in the act itself, was "to provide military assistance to the Republic of the Philippines in establishing and maintaining national security and to form a basis for participation by that Government in such defensive military operations as the future may require".

With this authorization, representatives of the two countries conducted negotiations during 1946 and 1947 looking to the conclusion of a military-assistance agreement. This agreement was signed in Manila on March 21, 1947, by Ambassador McNutt and President Roxas.

With the conclusion of the military-base and military-assistance agreements the cornerstones of Philippine defense had been laid. In addition, however, President Roxas pledged himself to vigorous efforts to reorganize and democratize the Philippine Army.<sup>23</sup> The Administration set aside for national defense measures for fiscal 1948 the proposed sum of 38.5 million dollars, 23.5 million dollars of which was to be spent by the Military Police Command. With total estimated expenditures set at 134.5 million dollars for fiscal 1948,<sup>24</sup> it was apparent that the defense item in the budget was considered of basic importance.

### *Aid to Philippine Veterans*

One of the most challenging problems facing both the Philippine and the United States Governments in the post-independence period has been how to assist those Filipino veterans who served either in the regular United States Army forces in the Pacific or in recognized guerrilla units during the war. These Filipino veterans fought loyally and effectively with the United States, and they have considered themselves entitled to many of the

<sup>20</sup> Public Law 380, 79th Cong., approved June 29, 1944, joint resolution declaring the policy of the Congress with respect to the independence of the Philippine Islands, and for other purposes.

<sup>21</sup> BULLETIN of Mar. 23, 1947, p. 554.

<sup>22</sup> *Ibid.*

<sup>23</sup> Message on the state of the nation by Manuel Roxas, Jan. 27, 1947, p. 14.

<sup>24</sup> President Roxas' special message on the national budget, Feb. 11, 1947.

rights extended to American veterans under the so-called GI Bill of Rights. Ranking American policy leaders, including President Truman and former Ambassador McNutt, have strongly endorsed their right to participate in a program of veterans' benefits provided by the United States.<sup>25</sup>

On May 18, 1946, in identical letters to the President *pro tempore* of the Senate and to the Speaker of the House, President Truman transmitted a bill providing for the Philippine veterans with a request for its early introduction and consideration. This bill provided, first, for hospitalization, including medical care, for service-connected disability; second, pensions for service-connected disability and death, on a peso-for-dollar basis; third, for appropriate burial and funeral allowances; and lastly for the administrative framework for the operation of the Veterans' Administration in the Philippines. The President pointed out that the standing Philippine Army had been made a part of the armed forces of the United States by order of the President of the United States on July 26, 1941, and that, in addition, certain guerrilla units had been recognized thereafter as members of the Philippine Army and hence as a part of the United States Army. Under the First Supplemental Surplus Appropriation Rescission Act of 1946, these Filipino veterans of the United States Army were denied the benefits to which they believed themselves entitled. The President asked, therefore, in his message to the Congress, that action be taken to restore needed benefits to the Philippine veterans.

As a result of the President's message, a bill, S. 2235, was introduced in June 1946 to provide benefits for the Philippine veterans. This bill passed the Senate but failed in the House by a narrow margin. With the convening of the 80th Congress in January 1947, renewed efforts were made to get a new Philippine Veterans Bill introduced in the Congress. At the direction of the President of the United States, an interdepartmental committee consisting of the Administrator of Veterans' Affairs, the United States Ambassador to the Philippines, the Secretary of War, and the Secretary of State jointly assumed responsibility for the introduction of such a bill. It was expected that such a bill would be introduced in the Congress in the near future.<sup>26</sup>

Meanwhile, in the Philippines the situation of

many veterans has been very acute. The United States Veterans' Administration has a large office in Manila and has been carrying out a program of limited benefits for Philippine veterans authorized in previous legislation. In an endeavor to meet the challenge, the Roxas administration also secured the passage by the Philippine Congress of a so-called Philippine GI Bill of Rights. This act, Republic Act no. 65, approved October 18, 1946, created a Philippine Veterans Board and provided additional limited aid to Philippine veterans. The real hope for the Philippine veterans continues, however, to lie in the extension of benefits to Philippine veterans in the form of a Philippine veterans' bill passed by the U. S. Congress.

### *Relations With Other Nations*

Another less pressing but very important problem facing the new Republic of the Philippines during its first year was that of creating the machinery for the conduct of its foreign relations. Prior to July 4, 1946, all foreign relations for the Philippines were handled by the United States. After July 4 the burden devolved on the Philippines.

In anticipation of the day when the Philippines would have to conduct its own foreign relations, the Department of State in July 1945 inaugurated a Philippine Foreign Affairs Training Program<sup>27</sup>

<sup>25</sup> See S. Rept. 1419, 79th Cong., 2d sess., of June 4, 1946, and H. Rept. 2640, 79th Cong., 2d sess., of July 23, 1946.

<sup>26</sup> In May 1947 a special Philippine veterans' group visited the United States to study the question of Philippine veterans' benefits and to testify on behalf of such benefits. The members of this mission were Lt. Col. Angel Tuason, Lt. Col. José Razon, Maj. Ernesto Rusino, and Maj. Ferdinand Marcos.

<sup>27</sup> The following men have graduated from this program: Yusup R. Abubakar, Manuel A. Adeva, José Alejandrino, Tibureio C. Baja, Anastacio B. Bartolome, Emilio D. Bejasa, Marcelino V. Bernardo, Hortencio J. Brillantes, Romeo S. Busnogo, Irineo R. Cabatit, Tomas G. de Castro, Francisco P. Claravall, Irineo D. Cornista, Juanito C. Dionisio, Candido T. Elbo, Carlos A. Faustino, Guillermo C. Fonacier, Delfin R. Garcia, Engracio D. Guerson, José F. Imperial, Marciano A. Joven, Reynaldo Lardizabal, Pelayo F. Llanas, Luis Moreno Salcedo, Pablo A. Pena, Generoso P. Provideo, Aurelio Ramos, Eutiquio O. Sta. Romana, Eduardo L. Rosal, Simeon R. Roxas, Leopoldo T. Ruiz, Rodolfo H. Severino, Vicente I. Singian, Tagakotta Sotto, Benjamin T. Tirona, Roman V. Ubaldo, Renato A. Urquiola, Doroteo Vite, Alejandro D. Yango. For articles by Mr. Mill on the Philippine Foreign Affairs Training Program, see BULLETIN of Feb. 3, 1946, p. 148, and *American Foreign Service Journal* of April 1946.

designed to assist the Philippines in preparing for the conduct of foreign relations. Under this program selected Filipinos were assigned to the Department of State, and, in some cases, later on to American Embassies abroad, for training as foreign-affairs officers. President Roxas in May 1946 requested that this training program be continued after independence, and the program is still being carried on by the Department of State. Its graduates have been of invaluable assistance to the Philippines in developing its Foreign Service establishments abroad.

On July 4, 1946, President Roxas announced the creation of a Department of Foreign Affairs to handle foreign relations for the new Republic. At the same time he announced that Vice President Elpidio Quirino had been designated to serve concurrently as first Secretary of Foreign Affairs of the Republic of the Philippines. Dr. Bernabe Africa was named to the post of Under Secretary. An American Foreign Service officer of class I, Richard P. Butrick, also was, at the request of President Roxas, detailed by the Department of State to act as Adviser on Foreign Relations to the Republic of the Philippines during the formative months of the Department of Foreign Affairs.

In Executive Order no. 18, dated September 16, 1946, President Roxas provided for the organizational framework of the new Department of Foreign Affairs and Philippine Foreign Affairs Service. On January 17, 1947, Vice President and concurrently Secretary of Foreign Affairs Quirino issued departmental order no. 7 further reorganizing and defining the functions of the various offices and divisions of the Department of Foreign Af-

fairs. A series of other organizational orders defining procedure in the Department and in the Foreign Affairs Service were issued during the first year of the Department.

Through the new Department of Foreign Affairs, relations were gradually developed with other nations. A treaty of general relations was signed by the United States and the Philippines on July 4, and shortly thereafter was ratified by the two countries.<sup>28</sup> Following the conclusion of this treaty, the Philippines began negotiations with other countries for treaties of general relations. Included among these countries were Great Britain and China. By the end of the first year of the Republic, almost all countries had recognized its independence. Philippine Foreign Service establishments had been opened only in the United States and China, but plans were being made for the imminent opening of posts in other countries. Meanwhile, as provided by article 3 of the treaty of general relations, the United States is representing the Philippines in countries where there is no Philippine representation.

*Philippine participation in the United Nations.* The Philippines from its birth as an independent nation has loyally and effectively supported the principles and program of the United Nations. In General Carlos P. Romulo, Permanent Representative of the Philippines to the United Nations, the Philippines has had one of the most effective spokesmen in the United Nations.

### **Future of the Republic**

During the second year of the Republic, the challenging problems of the first year will continue to present themselves. Rehabilitation must be speeded up, more basic solutions of the agrarian problem evolved, law and order firmly maintained, aid to Philippine veterans extended, and plans for budgetary and fiscal reforms developed. There is no reason to believe that the present Philippine Government will not continue to press vigorously and resourcefully for a solution of these problems. In the years ahead, difficult as the problems may be, there can be no doubt that the Filipino people will measure up to the test. The Philippine Republic, born on July 4, 1946, is now a full-fledged member of the family of nations.

<sup>28</sup> Paul V. McNutt, the last United States High Commissioner to the Philippines, was appointed by President Truman as the first United States Ambassador to the Philippines. Nathaniel P. Davis, a Foreign Service officer of class I, was appointed Minister-Counselor of the Embassy to serve under Mr. McNutt. Mr. McNutt resigned as United States Ambassador on May 8, 1947. President Truman nominated Emmet O'Neal, a former member of Congress from Kentucky, to succeed Mr. McNutt as Ambassador. The Senate confirmed Mr. O'Neal on June 10, 1947, and he was sworn in as Ambassador on June 20, 1947. President Roxas similarly appointed Joaquin M. Elizalde, formerly Philippine Resident Commissioner to the United States and a leading Philippine businessman, as the first Philippine Ambassador to the United States. Narciso Ramos, former Philippine Congressman from Pangasinan, was named Minister-Counselor of the Philippine Embassy.

## NOTES RELATING TO OPIUM POLICY IN BURMA

*Text of note dated April 24, 1945, from the British Embassy in Washington to the Secretary of State*

No. 207  
Ref: 1063/16/45

His Majesty's Ambassador presents his compliments to the Secretary of State and has the honour to transmit to him herewith a memorandum which

has been received from Mr. Eden on policy as regards opium in Burma.

Lord Halifax would be glad to be informed, in due course, whether the government of the United States is in agreement with the short term policy set out in part 3 of the memorandum.

BRITISH EMBASSY

*Washington, D.C., April 24th, 1945*

### POLICY AS REGARDS OPIUM IN BURMA

#### I. Prewar Policy

##### (1) *Cultivation*

Upper Burma came under British rule just over fifty years before the Japanese invasion. When the British took over the country the poppy was cultivated for opium manufacture throughout the hills to the east and north. The British Government's policy was to prohibit cultivation, and as administration was extended into the hills the growing of the poppy was progressively reduced until in 1941 there were only three small areas in which opium manufacture was carried on:

- (a) The Shan States east of the Salween including the Wa States,
- (b) the small areas known as the Triangle and the Hukawng Valley in the Kachin Hills,
- (c) the Naga Hills.

Prohibition had not been enforced in (a) because administration was very light, the Wa States not being administered at all as yet. Until 1941 it was not certain whether the Wa States lay in British territory or in China. It was only in that year that the boundary between the two countries was settled and the major portion recognised as British. Large quantities of poppies are grown there and the cultivation can only be controlled when the Government's authority has been established over the turbulent tribes resident in the area.

In (b) administration was only introduced in

1932 and orders had been issued that poppy growing should cease from 1942, and in (c) administration was only introduced in 1939.

In (b) and (c) a very low grade opium was produced fit only for local consumption in the hills: it was only in (a) that any considerable amount was produced and there steps were being taken to limit production to the quantity required for consumption in the Shan States.

##### (2) *Consumption*

It is important to recognise that consumption in Burma is by eating as well as by smoking. The Chinese are the chief smokers but some Burmans have also acquired the habit. The majority of consumers however are eaters, and Indians, Burmans and hill tribesmen are all included in the number. All these people are firmly convinced that opium is a protection against fever and dysentery and, whether there is any medical basis for this belief or not, it is firmly ingrained; and opium is also used as an analgesic. Consequently the sudden cutting off of this supply would probably result in widespread suffering and in any case would cause discontent. In the Kachin Hills also opium is used in tribal festivals for the propitiation of the spirits of the forests and in customary ceremonies in connection with marriage, housebuilding, burial or cultivation, and any attempt immediately to alter these ancient customs would cause serious unrest.

### (3) *Supply*

The Government of Burma's policy in regard to the supply of opium is in accordance with their Treaty obligations. With the ratification of the Hague Convention in 1912 the Government of Burma committed itself to the gradual and effective suppression of opium smoking and as a first step prohibited the sale, import or export and manufacture of prepared opium. The only opium that is available in Burma, therefore, is raw opium. Opium is a Government monopoly and is sold in Government shops. The sale of raw opium is restricted to consumers registered only after careful enquiry into their addiction to opium and supplied with no more than the minimum requirements. All sales are strictly controlled through a system of retail shops managed by Government officials. In Burma proper, the smoking of opium is prohibited except in the case of registered smokers and licences to smoke are only given to proved addicts.

The policy of the Government of Burma in supplying opium to registered consumers is directed towards the elimination of the smuggling trade and is in accordance with their Treaty obligations and with the recommendations of the Commission appointed in 1930 by the League of Nations to enquire into opium smoking in the Far East. Opium for use in Burma is obtained from India, except in the Shan States where shan opium grown in the States east of the Salween is sold. Opium is however produced on a large scale in China and Siam, and if consumers are refused licences or if their supplies are cut too low they resort at once to an illicit supply brought in by smugglers. The policy of sale from shops is intended to make smuggling unprofitable and to limit consumption to recognised addicts. If the Government were suddenly to stop selling opium the country would be flooded with illicit opium, the introduction of which would be impossible to control since Burma's frontier with China and Siam is long and almost throughout its length is hilly and jungle covered; consequently smuggling is easy and though a large preventive staff is maintained adequate prevention is practically impossible. The British Government would be strongly opposed to adopting a policy of total prohibition which could not be enforced, since a law which cannot be enforced is dangerous to the general

moral standard of the country as the habit of law-breaking is liable to spread.

### **II. Long Term Policy of the Government of Burma**

As announced in the British Government's declaration of 10th November 1943, it has been decided to adopt the policy of total prohibition of opium smoking in British Far Eastern territories after they have been liberated from the Japanese. After re-occupation the Government of Burma will thereafter take steps to carry out this policy. It is also the declared policy of the Government of Burma that opium consumption by any means should eventually be suppressed, and the Government is therefore prepared to prohibit opium eating as soon as it appears possible to make such a prohibition effective and to enforce it on the hills without provoking grave unrest. Clearly, however, so long as large supplies are produced in China and Siam and can be smuggled over the border prohibition cannot be made effective. It should be pointed out that although the Chinese Government have issued orders prohibiting poppy cultivation, the Yunnan Provincial Government is faced with the same problems as the Government of Burma in the remote western regions of the Province and has not succeeded in stopping cultivation among the hill peoples on the borders of Burma. The full co-operation with the Government of Burma of neighbouring governments will therefore be required for the prevention of smuggling into Burma. On the British side of the border also the prohibition of production in the Trans-Salween areas will take some time since it will be necessary that full administration control should be established over these areas. So long as administrative control in these remote areas cannot be closely maintained, prohibition by itself will lead, not to the eradication of the sources of supply, but to even more widespread smuggling. At the same time, the continuance of cultivation in no sense implies any protection of the interests of the growers. The Government of Burma is determined to tighten its administration and eventually to stop cultivation. But it must have regard to the smuggling menace and to measures that are practicable.

Under these circumstances the Government of Burma intend to take the following measures in order to secure control with a view to the prohibi-

tion and in the meanwhile wean consumers from the habit. They propose to re-open shops for the sale of opium to licensed consumers and to attempt to under-sell the smuggler. It is not the intention of the Government of Burma to make any profit out of these sales. Its intention is to keep the supply in its own hands, to refuse licences except to addicts and to persons requiring the drug medicinally, to limit the supplies of consumers as far as possible, and to attempt to cure addicts by medical treatment. It is also its firm intention to take adequate measures to improve methods of agriculture particularly in the direction of producing an acceptable standard of nutrition and of providing alternative crops to replace opium in areas, notably those east of the Salween on the China border, where opium has hitherto been the principal cash crop, on the cultivation of which the local inhabitants have depended almost entirely for their livelihood.

### **III. Short Term Policy Under Military Administration**

Comparatively little is known of the position as regards opium in Burma now. There is evidence of extensive smuggling in areas under enemy occupation whose licit supplies have probably ceased. It is known that the Japanese have in some cases issued opium to consumers engaged on construction work in connection with the Japanese war effort. Prior to the outbreak of war, cultivation was prohibited, or about to be prohibited, in all areas except the Shan States east of Salween. The prohibition however was dispensed with in the Kachin Hills at the time of the Japanese invasion. This was done as licit supplies could not be sent in and as a certain amount of opium was needed for quasi-medical purposes and for tribal ceremonies: also, sudden cessation of supplies was likely to affect the morale of the tribespeople, many of whom are in the Levies and assisting the armed forces in one way or another. The civil authorities are prepared for the reimposition of the ban on cultivation in these areas as soon as the military authorities think it feasible. This opium is however of such bad quality that it can only be used by the local people and would not be bought outside the hills.

During the period of military occupation, it is not proposed to re-open shops unless it is found to be absolutely necessary to do so. It is recognised, however, that the refusal to provide opium

to addicts may cause serious unrest and may make the re-occupation and pacification of Burma more difficult than it would otherwise be. If this is found to be the case it may be necessary to re-open opium shops in some areas and to provide a licit supply.

The American Government has expressed the fear that American soldiers may become opium addicts if they are present in a country where the consumption of opium is not totally prohibited. It should be made clear however that the danger to the troops is from illicit opium and not from shop opium. No one can buy from a shop without a Government permit and soldiers could not therefore obtain the drug direct. Sales to licensed consumers are regulated so that a consumer seldom has any surplus over his own requirements. If American soldiers contract the habit, it will be on account of illicit, smuggled supplies, and consequently the immunity of American soldiers will be much better secured by a policy directed towards the suppression of smuggling, as the British Government's policy is, rather than by a policy of immediate suppression of supplies to native addicts which could not, in practice, be enforced and which would give encouragement to the smuggler.

*Text of a note dated August 8, 1945, from the Secretary of State, replying to the note of the British Embassy*

845C.114 Narcotics/5-2845

The Secretary of State presents his compliments to the Chargé d'Affaires ad interim of Great Britain and refers to the Embassy's note no. 207, dated April 24, 1945 (reference 1063/16/45), transmitting a memorandum in regard to the policy of the British Government concerning opium in Burma.

The Government of the United States, which is aware of the difficulties of narcotic law enforcement in the Shan States and "excluded areas" of Burma, is appreciative of the British Government's exposition of the various phases of the opium problem in Burma.

Inquiry is made in the Embassy's note whether the Government of the United States is in agreement with the short-term policy under military administration set forth in part III of the memorandum. That policy envisages (1) the reimposition by the civil authorities of the ban on culti-



vation of opium poppies in the Kachin Hills as soon as the military authorities think it feasible and (2) the reopening of opium shops in certain areas if it is absolutely necessary to do so to prevent unrest.

The United States Government regards the short-term policy for Burma under military administration as not consistent with the established United States policy of urging the limitation of the production and use of opium throughout the world strictly to scientific and medicinal requirements. This Government therefore cannot express agreement with the short-term policy outlined in part III of the memorandum.

In view of the policy set forth above and because members of its military forces are stationed in Burma, the Government of the United States feels strongly that opium shops should not be reopened in Burma during the period of military occupation. The competent authorities of the United States state that it has been demonstrated in many parts of the world that easy access to dangerous drugs creates drug addiction and that in areas where opium shops exist, the danger to troops from these shops is equal to the danger from opium in the illicit traffic. For example, the narcotics authorities of the United States have proof that American troops in India are able to obtain both Government opium and illicit opium with little or no effort either by themselves or through intermediaries. A considerable number of American troops have already become opium addicts in India and upon their return to their homes have required special attention. The United States Government hopes that the British Government will not reopen opium shops in any area in Burma under military administration.

The narcotics authorities of the United States learned only recently that the American armed forces in Northern Burma have on occasions used small quantities of opium to make payments to natives for certain services. The War Department, having been immediately notified that this action was a violation of American policy, at once instructed the Theater Commander to prohibit the further use of opium for such purposes.<sup>1</sup> It is regretted that the practice was permitted.

It is noted in part III of the memorandum that the Government of Burma intends, in connection

with its long-term policy after reoccupation, to reopen shops for the sale of opium to licensed consumers in order to secure control with a view to prohibition. In the absence of a statement to the contrary, it is assumed that the Government of Burma proposes to dispense opium through Government shops throughout Burma for use both in smoking and eating. Such action could hardly be regarded by the Government of the United States as at all in consonance with the declaration of policy made in the House of Commons on November 10, 1943 by the Secretary of State for the Colonies, reading:

"His Majesty's Government in the United Kingdom have now decided to adopt the policy of total prohibition of opium smoking in the British and British protected territories in the Far East which are now in enemy occupation and, in accordance with this policy, the prepared opium monopolies formerly in operation in these territories will not be re-established on their re-occupation."

In justification of its contemplated action in Burma, the British Government states that "so long as large supplies are produced in China and Siam and can be smuggled over the border prohibition cannot be made effective" and that "so long as administrative control in these remote areas cannot be closely maintained, prohibition by itself will lead, not to the eradication of the sources of supply, but to even more widespread smuggling." These statements, implying that a Government opium shop system is more effective than prohibition, do not appear to be supported by the experience of the British authorities in Hong Kong. The representative of Canada at the Twenty-third Session of the Opium Advisory Committee stated, with respect to the Hong Kong Opium Monopoly that "If a Monopoly sold only 587 kilogrammes of prepared opium per annum, and if the authorities concerned admitted the illicit minimum consumption to be some 27,800 kilogrammes, there might be a question whether the solution was a Monopoly which apparently handled only 4% of the total sales of prepared opium." The representative of the United Kingdom replied that the British and Hong Kong authorities admitted that the situation was bad and that anxious consideration was being given to the problem. He further stated that he was unable to say whether the monopoly system was still the best way of handling the problem.

<sup>1</sup> This instruction was issued Mar. 9, 1945.



The American representative (the Commissioner of Narcotics) at the Twenty-fourth Session of the Opium Advisory Committee observed that, according to the annual report of the Government of Hong Kong on the traffic in prepared opium for the year 1937 which was under discussion, the total number of opium smokers and heroin addicts obtaining supplies from the illicit traffic in Hong Kong was 64,000 as against some 840 who acquired their opium from British licensed shops. The British representative replied that his Government entirely agreed that the situation in Hong Kong was very unsatisfactory.

The conditions prevailing in Hong Kong, as disclosed by the above statements, are cited as an example of the failure of retail Government shops to reduce opium smoking in the presence of smuggling. In many areas in India and Malaya, according to the annual reports of the British Government and the reports of American observers, large illicit supplies of opium exist in the vicinity of the Government opium shops. As regards British Borneo, the United States Government would be pleased to be informed in due course, after reoccupation has been completed, of the results of the application in that area of the policy of prohibition of the non-medical use of narcotic drugs, including smoking opium.

While recognizing the very real difficulties confronting the British Government in the Shan States and the Sino-Burman border areas generally during the considerable period of time which must elapse before conditions again become stabilized, the Government of the United States cannot but have the most serious misgivings as to the consequences of reopening Government opium shops throughout Burma. This Government feels that it cannot agree to policies such as those outlined in the memorandum which appear, in so far as Burma is concerned, to suspend indefinitely the application of the policy declaration made in the House of Commons November 10, 1943. This Government believes that the pre-war evidence available on this subject affords little or no support for the view that the existence of officially licensed monopoly shops has a restrictive effect on illicit traffic. The evidence on this point from British Far Eastern territories, as mentioned above, seems especially convincing. The Government of the United States is convinced, in the light of its experience, that the only effective

method of handling the opium problem is that of prohibition, together with enforcement. The policy which the Government of Burma proposes to follow could not possibly be considered as a logical step in a process of gradual reduction of the abuse of opium in Burma, but, on the contrary, would merely extend existing abuses and dangers and make solution of the opium problem in the Far East and, in fact, throughout the whole world much more difficult.

The United States Government is concerned because the smuggling of Burmese monopoly opium into this country will doubtless occur just as opium sold by the British shops in India is now being smuggled into the illicit market in the United States. This Government is reliably informed that large quantities of opium are constantly being smuggled from the Shan States into China, Thailand and Lower Burma.

If the British Government could see its way clear to take measures forthwith in Burma which are indubitably in consonance with its public declaration of November 10, 1943, a long step forward toward the solution of a humanitarian problem would be taken. The Government of the United States urges the British Government to reconsider the attitude presented in its memorandum on opium policy in Burma.

DEPARTMENT OF STATE

*Washington, August 8, 1945*

*Text of note dated November 12, 1946, from the British Embassy in Washington to the Secretary of State*

Ref: 926/21/46  
No. 622

His Majesty's Ambassador presents his compliments to the Secretary of State and with reference to his Note of the 8th August, 1945, (845C.114 Narcotics/5-2845), regarding the policy of His Majesty's Government for the control of the consumption of opium in Burma, Lord Inverchapel wishes to express his regret at the long delay which has occurred in sending a reply.

2. Shortly after the receipt of the Secretary of State's Note, military administration, as the Government of the United States will be aware, having come to an end, the Civil Government of Burma resumed the administration of the country and, notwithstanding the manifold urgent problems arising from the resumption of civil

administration in a devastated country over which two major campaigns have been fought, have since been engaged in reviewing their Opium Policy.

3. In the circumstances, it is no longer necessary to comment in detail on the remarks of the United States Government regarding the policy under military administration. Moreover, any risk to the health of members of United States forces in Burma such as the United States Government were at one time inclined to apprehend, has now been removed by their withdrawal. It suffices to say that His Majesty's Government are advised that while the United States forces were in Burma the British Military Administration at all times took particular pains to discuss this question with the United States local commanders in the field with a view to obviating whatever degree of risk there might have been, that at no time did the United States Commanders consider the risk to be grave, and that no case was reported of American troops acquiring the opium habit in Burma. This conforms to the experience of His Majesty's Government over a very long period in the case of British troops.

4. As regards the long-term policy of the Government of Burma, His Majesty's Government are unable to agree that the policy set forth in Part II of the Memorandum enclosed with the Embassy's Note dated 24th April, 1945, is in any way inconsistent with their Declaration of the 10th November, 1943. In that Declaration they undertook to effect the total prohibition of opium smoking in the territories mentioned and to refrain from the re-establishment of the prepared opium monopolies. The sale of prepared opium in Burma has for some time been a penal offence and it was stated unequivocally in the Memorandum that the Government of Burma would take steps to implement this Declaration, which was in harmony with the policy of eventual suppression of all forms of opium consumption in Burma, which has been their declared policy since 1932 and which, in fact, goes beyond the Declaration. The Government of Burma have accordingly decided that legislation should be enacted at an early

date to make illegal the smoking of opium and the possession of implements for this purpose.

5. So far as concerns raw opium for eating, which is consumed in Burma either for religious and ceremonial reasons or for quasi-medicinal use and which has in the latter case been available through Government monopoly shops to persons registered after careful enquiry as addicts, His Majesty's Government note that the United States Government doubt the value of such shops for the suppression of smuggling, in the light of certain evidence from Hong Kong. His Majesty's Government are unable to accept the validity of the argument on which these doubts were based, but think it unnecessary to enter into any detailed statement of their reasons since the Government of Burma have now decided to abolish the system of licensed shops in Burma and are making administrative arrangements, the details of which are at present under consideration, for the control of the issue of opium for medicinal, quasi-medicinal and scientific uses and for religious and ceremonial purposes.

6. The United States Government will see, therefore, that the Government of Burma have given concrete proof of their anxiety to maintain and develop, notwithstanding the inevitable interruptions of war, their consistent effort to secure the eventual suppression of all forms of opium consumption, which they proclaimed as their goal in 1932. At the same time, the United States Government will appreciate that there is no immediate total solution of this very difficult problem and that the complete and effective suppression of opium consumption in Burma must necessarily take time. The Government of Burma propose to deal vigilantly with any temporary increase in smuggling and the internal illicit trade which may result from the measures now contemplated and are confident that with continued watchfulness the leakage of opium from Burma into the illicit international market which before the war was very small will in future prove no greater.

BRITISH EMBASSY

*Washington, D.C.*

*November 12th, 1946*

# INTERNATIONAL ORGANIZATIONS AND CONFERENCES

## *Calendar of Meetings*<sup>1</sup>

<b>In Session as of June 22, 1947</b>		<b>1946</b>
Far Eastern Commission . . . . .	Washington . . . . .	Feb. 26
United Nations:		
Security Council . . . . .	Lake Success . . . . .	Mar. 25
Military Staff Committee . . . . .	Lake Success . . . . .	Mar. 25
Commission on Atomic Energy . . . . .	Lake Success . . . . .	June 14
		<b>1947</b>
Commission on Conventional Armaments . . . . .	Lake Success . . . . .	Mar. 24
ECOSOC (Economic and Social Council): Human Rights Drafting Committee.	Lake Success . . . . .	June 9-25
Economic Commission for Asia and the Far East: First Session . . .	Shanghai . . . . .	June 16-24
German External Property Negotiations (Safehaven):		<b>1946</b>
With Portugal . . . . .	Lisbon . . . . .	Sept. 3
With Spain . . . . .	Madrid . . . . .	Nov. 12
Inter-Allied Trade Board for Japan . . . . .	Washington . . . . .	Oct. 24
		<b>1947</b>
International Conference on Trade and Employment: Second Meeting of the Preparatory Committee.	Geneva . . . . .	Apr. 10
Congress of the Universal Postal Union . . . . .	Paris . . . . .	May 7
Council of Foreign Ministers: Committee To Examine Disagreed Questions of the Austrian Treaty.	Vienna . . . . .	May 12
International Radio Conference . . . . .	Atlantic City . . . . .	May 15
ECITO (European Central Inland Transport Organization): Seventh Session of the Council (Second Part).	Paris . . . . .	June 17
ICAO (International Civil Aviation Organization): South American Regional Air Navigation Meeting.	Lima . . . . .	June 17
ILO (International Labor Organization): 30th Session of the International Labor Conference.	Geneva . . . . .	June 19 (one day)
Permanent International Association of Road Congresses . . . . .	Paris . . . . .	June 19
"Journées Médicales de Bruxelles", 21st Session . . . . .	Brussels . . . . .	June 21-25
<b>Scheduled for June-August 1947</b>		
Caribbean Commission: Fourth Meeting . . . . .	Jamaica . . . . .	June 23-28
International Sugar Council . . . . .	London . . . . .	June 24 (one day)
International Congress of River Transportation . . . . .	Paris . . . . .	June 26-28

<sup>1</sup> Prepared in the Division of International Conferences, Department of State.

German External Property Negotiations (Safehaven) With Turkey . . .	Ankara . . . . .	June (Undetermined)
International Telecommunications Plenipotentiary Conference . . . . .	Atlantic City . . . . .	July 1
International Council of Scientific Unions: Executive Committee . . . . .	Paris . . . . .	July 1-2
International Rubber Study Group . . . . .	Paris . . . . .	July 1-10
United Nations:		
Economic Commission for Europe: Second Session . . . . .	Geneva . . . . .	July 5
Economic Commission for Asia and the Far East: Committee of the Whole.	Lake Success . . . . .	July 7
ECOSOC (Economic and Social Council):		
Fifth Session . . . . .	Lake Success . . . . .	July 19
Narcotic Drugs Commission: Second Session . . . . .	Lake Success . . . . .	July 24
Subcommission on Economic Development . . . . .	Lake Success . . . . .	Aug. 18 <sup>2</sup>
Population Commission: Second Session . . . . .	Lake Success . . . . .	Aug. 18 <sup>2</sup>
Human Rights Commission: Second Session . . . . .	Geneva . . . . .	Aug. 25 <sup>2</sup>
Statistical Commission: Second Session . . . . .	Lake Success . . . . .	Aug. 28 <sup>2</sup>
Social Commission: Second Session . . . . .	Lake Success . . . . .	Aug. 28 <sup>2</sup>
Committee on Information from Non-Self-Governing Territories . .	Lake Success . . . . .	Aug. 28 <sup>2</sup>
Special Cereals Conference . . . . .	Paris . . . . .	July 9
10th International Conference on Public Education . . . . .	Geneva . . . . .	July 14-21
IRO (International Refugee Organization): Third Part of First Session of the Preparatory Commission.	Lausanne . . . . .	July 15
ICAO (International Civil Aviation Organization):		
South Atlantic Regional Air Navigation Meeting . . . . .	Rio de Janeiro . . . . .	July 15
Aerodromes, Air Routes and Ground Aids Division . . . . .	Montreal . . . . .	Aug. 19
Fourth International Congress on Microbiology. . . . .	Copenhagen . . . . .	July 20-26
Seventh International Congress of Administrative Sciences. . . . .	Bern . . . . .	July 23-30
UNESCO (United Nations Educational, Scientific and Cultural Organization): Executive Board.	Paris . . . . .	July 24
WHO (World Health Organization):		
Expert Committee on Tuberculosis: First Meeting . . . . .	Paris . . . . .	July 30
Committee on Administration and Finance . . . . .	Geneva . . . . .	Aug. 28
Fourth Session of the Interim Commission . . . . .	Geneva . . . . .	Aug. 30-Sept. 14
ILO (International Labor Organization):		
Permanent Agricultural Committee . . . . .	Geneva . . . . .	July
Sixth International Conference of Labor Statisticians . . . . .	Montreal . . . . .	Aug. 4
Industrial Committee on Iron and Steel Production . . . . .	Stockholm . . . . .	Aug. 19
FAO (Food and Agriculture Organization):		
Panel on Soil Erosion Control . . . . .	Washington . . . . .	July
Meeting of Specialists on the Control of Infestation of Stored Food Products.	London . . . . .	Aug. 6
Executive Committee . . . . .	Geneva . . . . .	Aug. 21
Annual Conference: Third Session . . . . .	Geneva . . . . .	Aug. 25
International Meteorological Organization: Meeting of Technical Commissions.	Toronto . . . . .	Aug. 4-Sept. 13
International High Frequency Broadcasting Conference . . . . .	Atlantic City . . . . .	August or September

<sup>2</sup> Tentative.

## Final Session of the CITEJA, May 6-27, 1947

One of the questions on the agenda of the First Assembly of the International Civil Aviation Organization (ICAO) which was held at Montreal, Canada, from May 6 to May 27, 1947, was the organization of an international committee on air law which would deal not only with public air law matters, but also with questions of private international air law heretofore dealt with by the International Technical Committee of Aerial Legal Experts (CITEJA). Realizing the probability that the organization of the new committee would be definitely provided for by the First Assembly of ICAO, CITEJA arranged to have its sixteenth and last session at Montreal, at the time of the meeting of the assembly, for the purpose of arranging for its liquidation.

Accordingly, the Sixteenth Session of CITEJA was convened on May 10, 1947. The following countries were represented: Australia, Belgium, Canada, Denmark, Egypt, France, Greece, Italy, Luxembourg, the Netherlands, Norway, Portugal, Switzerland, the United Kingdom, the United States, and Yugoslavia. Representing the United States at this session were: Stephen Latchford, Chairman of the United States Section of CITEJA, Aviation Adviser, Aviation Division, Department of State; Emory T. Nunneley, General Counsel, Civil Aeronautics Board; Nathan G. Calkins, Adviser to the General Counsel, Civil Aeronautics Board; and John C. Cooper, Institute for Advanced Study, Princeton, New Jersey.

At the meeting on May 10, the Secretary General of CITEJA submitted a report on the work of CITEJA since the close of its Fifteenth Session (Cairo, Egypt, November 14 to 17, 1946), and CITEJA adopted the report of its commission on the verification of accounts for the year 1946. Two other important subjects were on the agenda, one dealing with the integration of CITEJA into ICAO and the other a consideration of a proposed plan of liquidation.

In as much as the matter of providing for the organization of a new legal committee of ICAO which would take over the activities of CITEJA had not during the current session of the assembly progressed to the point where these two subjects could be adequately treated in the meeting on

May 10, a second meeting of CITEJA was held on May 22. At this meeting consideration was given to a plan of liquidation presented by a member of the United Kingdom Delegation, as reporter. Briefly, this plan dealt with indemnities to the personnel of CITEJA, distribution of the assets, and detailed arrangements for the completion of liquidation. It was explained that it would take until September 1, 1947, to complete work on the CITEJA documents and that it might be necessary to employ some CITEJA personnel beyond that date. The reporter also brought up the question of the disposition of any funds remaining at the time of final liquidation and suggested two possible alternative plans for disposing of the funds: (1) a return of funds to the contributing states on a *pro rata* basis, or (2) turning over the funds to ICAO for the benefit of the CITEJA personnel who might enter the service of ICAO. The report presented showed a balance of approximately 2,843,625 French francs, which, at the present rate of exchange, would amount to approximately \$23,900. There had not, however, been deducted from this balance sums advanced to CITEJA by the French Government, under an agreement entered into in 1943, which amounted to 225,000 francs. Although it was not certain that the French Government would claim repayment of these sums, it was decided to include them tentatively as a liability.

The United States Delegation favored a plan whereby any surplus funds on hand at the time of the liquidation of CITEJA, after the debts of that organization had been paid, would be turned over to ICAO for use by its new legal committee. It was proposed by the French Delegation that the states represented on CITEJA should be asked: (1) whether they desired to have a retirement fund set up for the CITEJA personnel; (2) whether they preferred the United States suggestion of turning over the surplus funds to ICAO without indicating any conditions; or (3) whether they desired to have these funds returned to them. It was agreed to establish a liquidating commission which would submit these proposals to the interested governments. A French, Swiss, and United Kingdom member of CITEJA were ap-

pointed to serve as the three members of the liquidating commission.

At the close of the CITEJA session, the president delivered an address reviewing the accomplishments of the International Technical Committee of Aerial Legal Experts. As an international drafting committee of experts on private law, the CITEJA was created by a resolution adopted by the First International Conference on Private Aerial Law which was held at Paris, France, in October 1925. Its purposes were to establish a program pertaining to private air law to be studied by commissions of experts, to prepare texts of international conventions on private air law for consideration at periodic international conferences, and to elaborate progressively a single international code of private air law. Before the outbreak of war, 27 countries were represented on CITEJA and were making contributions toward the expenses of its secretariat.

#### U.S. DELEGATION TO TWENTY-FIRST SESSION OF JOURNÉES MÉDICALES

[Released to the press June 19]

The Secretary of State announced on June 19 that the President has approved the composition of the United States Delegation to the twenty-first session of the Journées Médicales, which is scheduled to be held at Brussels from June 21 to 25, 1947. The nominations of the delegates were based upon the recommendations of the Navy Department, the War Department, and the Federal Security Agency. The Delegation is as follows:

##### *Chairman*

Capt. Arthur W. Loy, M.C., U.S.N., Assistant Naval Attaché, American Embassy, London

##### *Delegates*

Col. Francis M. Fitts, M.C., U.S.A., Office of the Surgeon, Headquarters Command, European Command  
Surgeon Robert W. Biach, U.S. Public Health Service, Federal Security Agency, American Consulate, Rotterdam

The twenty-first session of the Journées Médicales is one in a series of meetings which were held annually before the war with the objective of keeping the practicing physician in touch with current research. Distinguished doctors were invited to discuss the contributions in their particular field. The first meeting after the war was held in June 1946.

The forthcoming meeting will provide an op-

portunity for representatives of the medical profession from the various countries to meet and exchange information concerning recent developments in the science of medicine. An exposition will be held in connection with the meeting.

#### U.S. TO MEET WITH INTERNATIONAL RUBBER STUDY GROUP

[Released to the press June 19]

The United States has accepted an invitation from the Government of France to participate in a meeting of the International Rubber Study Group, to be held in Paris from July 1 to July 10, 1947, the Department of State announced on June 19.

The Rubber Study Group was organized as a forum for the informal discussion of problems confronting the countries most interested in rubber. Members of the Group attending previous meetings (which were held in Washington in 1945, in London in 1945, and at The Hague in 1946) were the United States, the United Kingdom, France, and the Netherlands. These countries will be joined at Paris by approximately 11 others which have applied for membership since the last meeting.

The United States Delegation is as follows:

##### *Delegate*

Donald D. Kennedy, Chief, International Resources Division, Department of State

##### *Alternate*

William T. Phillips, Special Assistant on Commodity Policy, International Resources Division, Department of State

##### *Advisers*

H. C. Bugbee, Attaché, American Embassy, London  
Rear Admiral C. E. Braine, U.S. Navy  
Everett G. Holt, Rubber Adviser, Department of Commerce  
P. W. Litchfield, Chairman, The Goodyear Tire and Rubber Company  
J. Ward Keener, Vice President, B. F. Goodrich Company  
George M. Tisdale, Vice President, United States Rubber Company  
Howard W. Jordan, President, Pennsylvania Rubber Company  
A. L. Viles, President, Rubber Manufacturers' Association, Inc.  
R. D. Young, President, Rubber Trade Association of New York

##### *Secretary*

George H. Alexander, Commodity Specialist, International Resources Division, Department of State

# **U.S. DELEGATION TO ICAO MEETINGS IN LIMA AND RIO DE JANEIRO**

[Released to the press June 17]

The Secretary of State announced on June 17 that the United States Delegation to two regional air-navigation meetings of the International Civil Aviation Organization (ICAO) has left for South America. The first of these meetings, the South American Regional Air Navigation Meeting, is scheduled to be held at Lima from June 17 to July 7, and the second, the South Atlantic Regional Air Navigation Meeting, is scheduled to be held at Rio de Janeiro from July 15 to August 7. The composition of the United States Delegation was approved by the President. Nomination of the delegates was submitted by the Secretary of State upon the recommendations of the Air Coordinating Committee, the Technical Division of the ICAO, and of the interested departments and agencies of the Government. The Delegation is as follows:

## *Chairman*

Glen A. Gilbert, Chairman, Special Missions, Office of the Administrator, Civil Aeronautics Administration, Department of Commerce

## *Vice Chairmen*

Kendall G. Hathaway, Assistant Technical Adviser, Air Regulations, Civil Aeronautics Board

Maj. Gen. Laurence S. Kuter, U.S. Representative, International Civil Aviation Organization

## *Delegates*

James F. Angier, Civil Aeronautics Administration, Department of Commerce

Clifford P. Burton, Civil Aeronautics Administration, Department of Commerce

Louis Harmantas, Aeronautical Meteorology, Weather Bureau, Department of Commerce

L. Ross Hayes, Civil Aeronautics Administration, Department of Commerce

Lt. Comdr. John D. McCubbin, U.S.C.G., Search and Rescue Agency, U.S. Coast Guard

Ray F. Nicholson, Civil Aeronautics Administration, Department of Commerce

## *Advisers*

John S. Anderson, Aeronautical Radio, Inc., Washington, D.C.

Comdr. George Clifford, U.S.N., Civil Aviation Section, Office of the Chief of Naval Operations, Navy Department<sup>1</sup>

James D. Durkee, Chief, International Aviation Section, Federal Communications Commission

Lt. Comdr. G. E. Howarth, U.S.C.G., Chief, Navigational

Section, Electronics Engineering Division, U.S. Coast Guard

Capt. Charles W. Lord, U.S.N., ICAO Coordinator, Office of the Chief of Naval Operations, Navy Department<sup>1</sup>

Donald W. Nyrop, ICAO Representative for the Air Transport Association

Col. Carl Swyter, U.S.A., Technical Assistant to the Assistant Chiefs of Staff for Plans and Operations, War Department

## *Secretary of the Delegation*

J. Ward Lowe, Division of International Conferences, Department of State

## *Administrative Assistant*

Mary Bean, Civil Aeronautics Administration, Department of Commerce

The regional meetings at Lima and Rio de Janeiro are the sixth and seventh respectively in a series of nine regional meetings, originally scheduled by the Provisional International Civil Aviation Organization (PICAO), to recommend on an area basis procedures, standards, and systems of air navigation and air facilities required for international air travel and routes. Invitations to the forthcoming meetings were issued by the Secretary General of the PICAO, on behalf of the interim council of that organization, to all the member governments within the respective geographic regions, including governments whose airlines are prospective operators and who contribute facilities within the region. The nonmember governments which come under these categories were invited to send observers. The continuation of this practice of conducting regional meetings to study flying problems, which was begun under the PICAO, was agreed to and endorsed by the permanent organization when it held its first general assembly at Montreal last month.

The agenda of the Lima and Rio de Janeiro meetings are expected to follow the pattern of former regional meetings and to consider standards and their application to the requirements of the South American and South Atlantic regions in the following six fields: air-traffic control; aerodromes, air routes, and ground aids; communications; meteorology; operating standards; and search and rescue. The regional groups also conduct inventories and make recommendations on all air-navigation facilities within the regions.

<sup>1</sup>Commander Clifford will attend the Lima meeting; he will be replaced at Rio de Janeiro by Captain Lord.

### Universal Training—A Support for Foreign Policy

#### ADDRESS BY THE PRESIDENT<sup>1</sup>

PRESIDENT DODDS, DISTINGUISHED GUESTS, LADIES  
AND GENTLEMEN:

It is with a great deal of pleasure, and much pride, that I am now able to count myself as a member of the Princeton family. Princeton University has conferred an honor upon me for which I am deeply grateful. I consider it a special privilege to have received the degree of Doctor of Laws at the Final Convocation of the Bicentennial Year in the presence of this distinguished company.

On an earlier occasion of equal significance in the history of this University, the President of the United States, Grover Cleveland, spoke in 1896 at the Princeton Sesquicentennial Ceremonies. President Cleveland seized that opportunity to charge our colleges and universities with the task of supplying a "constant stream of thoughtful, educated men" to the body politic—men who were eager to perform public service for the benefit of the Nation. He chided our institutions of higher learning for their lack of interest in public affairs and held them responsible for the disdain with which many of the best-educated men of the day viewed politics and public affairs.

Happily for us, that attitude on the part of our universities vanished long ago. I am certain that no observer of the American scene in recent years has detected any reluctance on the part of our educators to enter the political arena when their services have been needed. And our schools have made much progress in supplying the "constant stream of thoughtful, educated men" for public service called for by President Cleveland half a century ago.

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<sup>1</sup> Delivered at commencement exercises at Princeton University, Princeton, N.J., on June 17, 1947, and released to the press by the White House on the same date.

That task is more important today than at any previous time in our national history.

In our free society, knowledge and learning are endowed with a public purpose—a noble purpose, close to the heart of democracy. That purpose is to help men and women develop their talents for the benefit of their fellow citizens. Our advance in the natural sciences has led to almost miraculous achievements, but we have less reason to be proud of our progress in developing the capacity among men for cooperative living. In the present critical stage of world history, we need, more than ever before, to enlist all our native integrity and industry in the conduct of our common affairs.

The role of the United States is changing more rapidly than in any previous period of our history. We have had to assume world-wide responsibilities and commitments. Our people have placed their trust in the Government as the guardian of our democratic ideals and the instrument through which we work for enduring peace.

The success of the Government's efforts in achieving these ends will depend upon the quality of citizenship of our people. It will also depend upon the extent to which our leaders in business, labor, the professions, agriculture, and every other field appreciate the role of their Government and the greatness of its tasks.

Our schools must train future leaders in all fields to understand and concern themselves with the expanded role of government, and—equally important—to see the need for effective administration of the Government's business in the public interest.

I call your attention particularly to the problem of effective administration within the Government, where matters of unprecedented magnitude and complexity confront the public servant. If our



national policies are to succeed, they must be administered by officials with broad experience, mature outlook, and sound judgment. There is, however, a critical shortage of such men—men who possess the capacity to deal with great affairs of state.

The Government has recruited from our academic institutions many members of its professional staffs—geologists, physicists, lawyers, economists, and others with specialized training. These men are essential to the conduct of the Government and the welfare of the Nation. But we have been much less effective in obtaining persons with broad understanding and an aptitude for management. We need men who can turn a group of specialists into a working team and who can combine imagination and practicability into a sound public program.

All large organizations, public or private, depend on the teamwork of specialists. Coordination is achieved by administrators trained to assemble the fruits of specialized knowledge and to build on that foundation a sound final decision. Men trained for this kind of administrative and political leadership are rare indeed.

In the task of finding and training men and women who will add strength to the public service, universities have a particular responsibility. They should develop in their students the capacity for seeing and meeting social problems as a whole and for relating special knowledge to broad issues. They should study the needs of government and encourage men and women with exceptional interests and aptitudes along the necessary lines to enter the government service.

The Woodrow Wilson School of Public and International Affairs of this University was established with this purpose in mind. It seeks to prepare students for public careers. It is significant that the School bears the name of a statesman whose concept of civic duty contributed so much to the Nation and to the world.

Of course, the Government cannot and does not expect to rely entirely upon our educational institutions for its administrators. It must bring into service from business and labor, and the professions, the best qualified persons to fill posts at all levels.

The Government must take several steps to make

its career service more attractive to the kind of men and women it needs.

Salary limitations prevent the government, in many instances, from securing the kind of executives required to manage its vital activities. Capable administrators are too frequently drawn away from government to private positions with salaries many times what they could earn in government service. This situation can be remedied only by laws to bring salaries more nearly into line with the heavy responsibilities that executives carry at the higher levels in the public service.

The complexities of the tasks now facing our top officials force them to spend most of their time in studying matters of policy. These officials should be supported by a career group of administrators skilled in the various aspects of management. If capable men and women can look forward to holding such posts as a reward for able service, they will be more eager to accept government employment.

Because of the difficult tasks of government today, we should plan a program for the systematic training of civilian employees once they have entered the public service. It is not generally possible at the present time for the Federal Government to send its employees to universities for special short-term training programs. Nor is it permissible under existing law to spend Federal funds for Government schools to develop the knowledge and techniques required by officials in their work.

This is a problem that can be solved only by the joint efforts of the Government and the universities. Training programs can be formulated both on the job and on the campus. The Government must make provision for its employees to participate. The universities will need to provide courses well adapted to increasing the effectiveness of the employee in his job. Such a plan is certain to pay substantial dividends.

I have been speaking about the important contribution which educational institutions can make in the service of the Nation through preparing men and women to administer our far-flung public enterprises.

Another contribution which I regard as important at this time is support for a program of universal training. I consider such a program vital to the national welfare. Since universal training

necessarily affects young men of college age, I believe that our educational institutions should be particularly aware of the need for such a program and what it can accomplish.

The recent war left in its wake a tremendous task of repair and reconstruction, of building a new and orderly world out of the economic and social chaos of the old. It is a task too great for us, or for any other nation, to undertake alone. Even though we are contributing generously and wholeheartedly, no single nation has the means to set the world aright. It is a job for all nations to do together. Unfortunately, however, generosity of impulse and abundant good will are not enough to insure the political stability essential to social and economic reconstruction. Peace-loving nations can make only slow progress toward the attainment of a stable world—in which all peoples are free to work out their own destinies in their own way—unless their moral leadership is supported by strength.

Weakness on our part would stir fear among small or weakened nations that we were giving up our world leadership. It would seem to them that we lacked the will to fulfil our pledge to aid free and independent nations to maintain their freedoms or our commitments to aid in restoring war-torn economies. In such an atmosphere of uncertainty, these nations might not be able to resist the encroachments of totalitarian pressures.

We must not let friendly nations go by default.

A few days ago, I sent to the Congress a report outlining a program designed to provide this country with the military strength required to support our foreign policy until such time as the growing authority of the United Nations will make such strength unnecessary. That report was prepared by an advisory commission of distinguished citizens, one of whom was President Dodds. The commission reported its belief that the United States should have small professional armed forces. These should be supported by a reserve of trained citizens, derived from a carefully planned program of universal training for young men. Without such training, in the opinion of the commission, we cannot maintain effective reserves. Hence the commission regards universal training as an essential element in a balanced program for security.

Universal training represents the most democratic, the most economical, and the most effective method of maintaining the military strength we

need. It is the only way that such strength can be achieved without imposing a ruinous burden on our economy through the maintenance of a large standing armed force.

The justification for universal training is its military necessity. However, it is a matter of deep concern to me that the training program shall be carried out in a manner that will contribute materially to the health and character of our young men. I am certain that the kind of training recommended in the report of the advisory commission will not only make our youth better equipped to serve their country but better mentally, morally, and physically. The experience of living together and fulfilling a common responsibility should strengthen the spirit of democracy. It will be an experience in democratic living, out of which should come in increased measure the unity so beneficial to the welfare of the Nation.

We must remember, above all, that these men would not be training in order to win a war but in order to prevent one.

I am confident that our educational institutions understand the need for universal training and recognize it as a vital responsibility of citizenship in our day.

The obligations of our educational institutions which I have been discussing are great, but in the world today there is a still greater obligation. It is the obligation of service to all nations in the cause of lasting peace.

There can be no greater service to mankind, and no nobler mission, than devotion to world peace.

The course has been charted.

The constitution of the United Nations Educational, Scientific and Cultural Organization states the basic truths by which we must be guided. That constitution reads: "Since wars begin in the minds of men, it is in the minds of men that the defenses of peace must be constructed."

The construction of the defenses of peace in the minds of men is the supreme task which our educational institutions must set for themselves.

This convocation is a symbol of what our educational institutions can do in the cause of peace. It marks the end of a great series of conferences, attended by scholars from all over the world, who assembled here for free discussion of the most challenging problems facing men today.

The special significance of these meetings is that

they restored bonds in many fields of learning between our own and other lands—bonds which had been impaired by the war. The resumption of meetings of scholars, businessmen, religious leaders, and government officials is evidence of our conviction that the peace must “be founded, if it is not to fail, upon the intellectual solidarity of mankind.”

Free and inquiring minds, with unlimited access to the sources of knowledge, can be the architects of a peaceful and prosperous world.

As we gain increasing understanding of man, comparable to our increasing understanding of matter, we shall develop, with God’s grace, the ability of nations to work together and live together in lasting peace.

## Committee To Study Effect of Foreign Aid on Domestic Economy

### STATEMENT BY THE PRESIDENT

[Released to the press by the White House June 22]

The impact upon our domestic economy of the assistance we are now furnishing or may furnish to foreign countries is a matter of grave concern to every American. I believe we are generally agreed that the recovery of production abroad is essential both to a vigorous democracy and to a peace founded on democracy and freedom. It is essential also to a world trade in which our businessmen, farmers, and workers may benefit from substantial exports and in which their customers may be able to pay for these goods. On the other hand, the extent to which we should continue aiding such recovery is less easy to ascertain and merits most careful study.

Much attention has already been given to these questions by various agencies of the Government, as well as by a number of well-informed and public-spirited citizens. The results of current study and discussion have not, however, been brought together and objectively evaluated in a form suitable for guidance in the formulation of national policy.

Accordingly, I am creating immediately three committees to study and report to me within the shortest possible time on the relationship between any further aid which may be extended to foreign countries and the interests of our domestic economy. Two of these studies will be conducted within the Government; the third will be conducted by a nonpartisan committee of distinguished citizens headed by the Secretary of Commerce.

Of the two studies to be conducted within the Government, one will deal with the state of our

national resources and will be made by a committee of specialists under the direction of the Secretary of the Interior. The other governmental study will deal with the impact on our national economy of aid to other countries and will be conducted by the Council of Economic Advisers.

The nonpartisan committee will be requested to determine the facts with respect to the character and quantities of United States resources available for economic assistance to foreign countries and to advise me, in the light of these facts, on the limits within which the United States may safely and wisely plan to extend such assistance and on the relation between this assistance and our domestic economy. This committee will be drawn from representatives of American business, finance, labor, agriculture, and educational and research institutions. In carrying out its work this committee will have the benefit of the studies which are to be made within the Government, as well as the materials already prepared by various Government agencies.

The names of those being asked to serve on the committee are as follows:

Hiland Batcheller, President, Allegheny-Ludlum Steel Corp., Pittsburgh, Pa.  
Robert Earle Buchanan, Dean, Graduate College, Iowa State College, Ames, Iowa  
W. Randolph Burgess, Vice-Chairman, National City Bank of New York, New York, N.Y.  
James B. Carey, Secretary-Treasurer, C.I.O., Washington, D.C.  
John L. Collyer, President, B. F. Goodrich Company, Akron, Ohio

*(Continued on page 1315)*

## Program for Utilization of Aid to Greece

### EXCHANGE OF NOTES BETWEEN THE U.S. AND GREEK GOVERNMENTS<sup>1</sup>

[Released to the press on June 18]

#### *Text of United States note to Greek Government*

*May 26, 1947.*

In response to an appeal by the Greek Government in its note of March 3, 1947<sup>2</sup> to the Government of the United States, and through it to the American people, for financial, economic and expert aid to assist the Greek people in restoring their country, the President of the United States on March 12, 1947,<sup>3</sup> requested from the Congress the necessary authority to permit him to extend the help requested.

The Government of the United States now informs the Greek Government that the President has been authorized to extend assistance to Greece under the provisions of an Act of Congress signed May 22, 1947.<sup>4</sup>

The Government of the United States will welcome an indication from the Greek Government of its general recovery program and assurances that the proffered assistance will be effectively utilized. This Government will also welcome assurances from the Greek Government that it is prepared to enter into negotiations leading to a mutually acceptable agreement between the two Governments on the terms under which American aid will be extended.

#### *Text of Greek Government's reply*

*June 15, 1947.*

The Greek Government acknowledges the note of the United States Government of May 26, 1947, informing it that the President of the United States has been empowered by Congressional action to extend assistance to Greece. The hearts of the Greek people are profoundly touched by this proof of the generosity and good will of the Ameri-

can people and of the benevolent interest of a great and friendly nation in the welfare of Greece. The Greek Government, on its own behalf and on behalf of the Greek people, wishes to express its deepest appreciation for this magnanimous response to the request of the Greek Government and takes this opportunity to repeat that it turned to the United States for aid only because the devastating results of the war were such as to render impossible the enormous task of reconstruction with the resources remaining to Greece after years of conflict and enemy occupation.

The Greek Government wishes to give assurances that any assistance it may receive will be used in conformance with the purposes for which it may be made available. Aid given for military purposes will be used in the restoration and maintenance of internal order. Aid furnished for the economic recovery and physical reconstruction of the country will be expended in a manner which will have a lasting beneficial effect on the country as a whole.

The Greek Government also wishes to make known at this time its own plans for action which will lay a basis for American assistance in Greek recovery and reconstruction.

The Greek people realize that ultimate solution of their problem requires great and continuous effort by themselves. They are aware that the extensive aid of the United States will not alone be sufficient to meet the large costs of restoring public order and reconstructing productive facilities over a period of years. The Greek Government will lead its people in their effort to achieve these ends. This responsibility entails the composing of internal differences, the collection of more revenues, the rebuilding of foreign trade, the conservation of foreign exchange, the reconstruction of public works, the improvement of government administration, assistance and guidance to agriculture and industry, establishment of protective labor measures, encouragement of democratic organizations among economic and social groups, measures to

<sup>1</sup> Printed from telegraphic text.

<sup>2</sup> BULLETIN of Mar. 16, 1947, p. 493.

<sup>3</sup> BULLETIN of Mar. 23, 1947, p. 534.

<sup>4</sup> BULLETIN of June 1, 1947, p. 107.

control inflation and assure equitable distribution of supplies and services, and the restraint of excesses and extravagances on the part of any segment of the population. The Greek Government will undertake these and all other necessary measures to marshal Greece's own resources to the fullest extent in attaining the ends for which American assistance may be extended. This organization of Greek effort will require economic contributions and cooperation from all.

The Greek Government is ever mindful that primary responsibility for the economic welfare of the country rests with the Greek Government, and it is therefore proceeding with plans for the early institution and vigorous administration of those measures which will enable full use of capital, productive facilities, manpower resources and natural wealth to be found in Greece. Certain measures proposed by the Greek Government are stated in general terms in this note; these and other measures will be developed further after consultation with American advisers.

In order to achieve budgetary balance and economic stability at the earliest possible time the Greek Government will undertake to rehabilitate its national and local revenue system by all necessary measures including the modernization of tax administration, elimination of tax evasion and the use of every practicable source of revenue. Full regard will be given to the equitable distribution of the tax burden and to the principle of ability to pay. Measures will be taken to control and curtail expenditures of the Government. The Government audit and accounting system will be strengthened, and the budget will be published and used as an effective control of expenditures.

With a view to steadily increasing the ratio of official acquisitions of foreign exchange to import requirements, a program will be undertaken to increase the amounts of foreign exchange coming into the Greek economy through normal commercial channels. Vigorous efforts to increase exports, including the resumption of the export of olive oil and the rebuilding of foreign markets, will be made. Measures will be adopted to assure the operation of Greek shipping in a manner which will provide the greatest benefit for the national economy. Existing regulations on the import and export of foreign exchange will be enforced and strengthened by all possible means. To make the

most effective use of available exchange, imports will be limited to those which are essential to the Greek economy, and they will be brought in as an integral part of a national import program which includes goods purchased with American aid. The planning and supervising of the administration of the program of public and private imports and exports will be centralized in a Foreign Trade Committee comprising Greek and American technicians and headed by an American in the employ of the Greek Government.

To guard against further inflation, a vigorous program will be undertaken to hold down prices and to establish an equitable relationship between prices and wages. As further deterrents to inflation, rent control and rationing of commodities will be continued and controls on credit and banking will be instituted.

The agricultural and industrial production of the country will be increased by Government guidance and financial assistance. Unduly restrictive taxes, detrimental employment practices and monopoly regulations will be re-examined, and all unnecessary deterrents to production eliminated. To this end the Greek Government will encourage increased labor productivity while fostering the right of workers to organize and join free democratic labor unions and to engage in activities to promote their mutual protection and economic status.

In order to fill its increasingly active role in guiding the recovery and reconstruction efforts during the American aid program, the Government will undertake an extensive program to improve its governmental organizations and civil service, which were so disrupted by the long years of war.

The Greek Government wishes to take this opportunity to renew its request to the United States Government for American personnel who can assist in the Greek recovery effort, including a special American Mission to administer the extension of American aid, observe its use by the Greek Government and advise the Greek Government. In order to expedite recovery in Greece and because of the large financial contribution of the United States to Greece, the Mission should participate in the development of revenue and expenditure policies, approve government expenditures for activities which directly or indirectly involve the use

of American aid, take part in the planning of the import program, and approve the use of foreign exchange. The Greek Government would also wish the Mission to assist in execution of reconstruction projects, improvement of public administration, technical training of civil servants and other personnel, continuation of the health program, development of exports, programming and disposition of government purchased supplies, promotion of agricultural and industrial recovery, and regulation of wages and prices. In general the Greek Government will wish to consult with the Mission before taking any economic steps which might affect the success of the American aid program.

In addition to the members of the Mission who will act as representatives of the United States Government, the Greek Government wishes the assistance of the United States Government in employing a limited number of American experts to act in technical and supervisory capacities within the Greek Government. The Government will continue a Currency Committee consisting of Greeks and foreign experts with functions modified to fit in with those of the American Mission. As mentioned above, a Foreign Trade Administration,

headed by an American technician, is also planned.

In the light of the recent legislation by the Congress of the United States and of the views expressed by the United States Government in its note of May 26, 1947, and by the Greek Government in this note, it is suggested that the two Governments should enter into a formal agreement on these matters.

*Text of United States note to Greek Government*

*June 18, 1947.*

The Government of the United States acknowledges the note of the Greek Government of June 15, 1947 setting forth in general terms the Greek Government's recovery program.

This Government notes with satisfaction the assurances of the Greek Government that American aid will be effectively utilized in accordance with the purposes for which it is being extended. This Government also welcomes the assurances of the Greek Government that it is prepared to enter into negotiations leading to a mutually acceptable agreement on the terms under which this aid will be extended and has authorized the American Ambassador in Greece to negotiate such an agreement with the Greek Government.

**TEXT OF AGREEMENT ON AID TO GREECE<sup>5</sup>**

The Government of Greece having requested the Government of the United States for financial, material and technical assistance to avert economic crisis, promote national recovery, and restore internal tranquillity; and

The Congress of the United States, in the Act approved May 22, 1947, having authorized the President of the United States to furnish such assistance to Greece, on terms consonant with the sovereign independence and security of the two countries; and

The Government of Greece, in a note to the Government of the United States of June 15, 1947, having proposed certain measures within Greece which it deems essential to the effective use of United States assistance and of Greece's own resources in promoting reconstruction and recovery in Greece as soon as possible; and

The Government of the United States and the Government of Greece believing that the furnish-

ing of such assistance will help to achieve the basic objectives of the Charter of the United Nations and will further strengthen the ties of friendship between the American and Greek peoples:

The undersigned, being duly authorized by their respective Governments for that purpose, have agreed as follows:

*Article I*

The Government of the United States will furnish the Government of Greece such assistance as the President of the United States may authorize to be provided in accordance with the Act of Congress approved May 22, 1947, and any Acts amendatory or supplementary thereto.

*Article II*

The Government of Greece will make effective use of any assistance furnished to Greece by the United States and of Greece's own resources in

<sup>5</sup> Printed from telegraphic text.

order to advance reconstruction and secure recovery in Greece as soon as possible. To this end the Government of Greece has already undertaken, and hereby agrees, to effectuate the measures proposed in its note of June 15, 1947 to the Government of the United States and will take such further action as may be appropriate.

### *Article III*

The Government of the United States will send to Greece a mission to be known as the American Mission for Aid to Greece (hereinafter referred to as the American Mission). The Chief of the American Mission designated by the President of the United States will represent the Government of the United States on matters relating to the assistance furnished under this Agreement.

### *Article IV*

The Chief of the American Mission will determine, in consultation with representatives of the Government of Greece, the terms and conditions upon which specified assistance shall from time to time be furnished under this Agreement. Under the direction of the Chief, the Mission will provide such advisory assistance and will exercise such functions as are necessary and proper to assist the Government of Greece to make the most effective use of any assistance furnished to Greece by the United States and of Greece's own resources and thereby to advance reconstruction and secure recovery in Greece as soon as possible. Certain of these functions are contained in the measures proposed by the Government of Greece in its note of June 15, 1947.

### *Article V*

The Government of Greece will furnish all practicable assistance to the American Mission to facilitate the performance of its functions, the movement of Mission personnel to, in or from Greece, the employment of Greek nationals and residents, the acquisition of facilities and services, and the performance of other activities of the Mission. The personnel of the American Mission and the property of the Mission and of its personnel shall enjoy in Greece the same privileges and immunities as are enjoyed by the personnel of the United States Embassy in Greece and the property of the Embassy and of its personnel.

### *Article VI*

The Government of Greece will permit the members of the American Mission to observe freely the utilization of assistance furnished to Greece by the United States. The Government of Greece will maintain such accounts and records, and will furnish the American Mission such reports and information, as the Mission may request for the performance of its functions and responsibilities.

### *Article VII*

The Government of Greece and the Government of the United States will cooperate in assuring the peoples of the United States and Greece full information, consistent with the security of the two countries, concerning the assistance furnished to Greece by the United States. To this end—

(1) representatives of the press and radio of the United States will be permitted to observe freely and to report fully regarding the utilization of such assistance; and

(2) the Government of Greece will afford the American Mission opportunity for, and will cooperate with it in providing, full and continuous publicity within Greece, including periodic reports by the Mission, as to activities under this Agreement and the purpose, source, character, scope, amounts, and progress of such assistance.

### *Article VIII*

The Government of Greece will make such provisions as may be required by the President of the United States for the security of any article, service, or information received pursuant to this Agreement. It will not transfer, without the consent of the President of the United States, title to or possession of any such article or information nor permit, without such consent, the use of any such article or the use or disclosure of any such information by or to anyone not an officer, employee, or agent of the Government of Greece or for any purpose other than that for which the article or information is furnished.

### *Article IX*

The Government of Greece will not use any part of the proceeds of any loan, credit, grant, or other form of aid rendered pursuant to this Agreement for the making of any payment on account of the



principal or interest on any loan made to it by another foreign government.

The Government of Greece will not, except with the approval of the Government of the United States, allocate any funds or make available any foreign exchange for payment of principal or interest on the foreign indebtedness now in suspense of the Government of Greece and of all public and private debtors.

#### *Article X*

Any or all assistance authorized to be provided pursuant to this Agreement will be withdrawn—

(1) If requested by the Government of Greece representing a majority of the Greek people;

(2) If the Security Council of the United Nations finds (with respect to which finding the United States waives the exercise of any veto) or the General Assembly of the United Nations finds that action taken or assistance furnished by the United Nations makes the continuance of assistance by the Government of the United States pursuant to this Agreement unnecessary or undesirable;

(3) Under any of the other circumstances speci-

fied in section 5 of the aforesaid Act of Congress or if the President of the United States determines that such withdrawal is in the interest of the United States; or

(4) If the Government of Greece does not take reasonable steps to effectuate those measures proposed in its note of June 15, 1947 or subsequently agreed upon which are essential to reconstruction and recovery in Greece.

#### *Article XI*

This Agreement shall take effect as from this day's date. It shall continue in force until a date to be agreed upon by the two Governments.

#### *Article XII*

This Agreement shall be registered with the United Nations.

Done in duplicate, in the English and Greek languages, at Athens, this 20th day of June, 1947.

LINCOLN MACVEAGH

For the Government of the United States

CONSTANTINE TSALDARIS

For the Government of Greece

## **New Ambassador of Greece Presents Credentials**

### **TEXT OF THE REMARKS OF AMBASSADOR VASSILI DENDRAMIS**

[Released to the press June 9]

MR. PRESIDENT: Having been called by my Government to assume the office of Ambassador of Greece to the United States of America, I have the honor to present to you, Mr. President, the Letters of Credence by which His Majesty the King of the Hellenes, my August Sovereign, accredits me to the President of the United States.

I am greatly honored by this mark of my Government's confidence, and in the exercise of my functions as Ambassador it will be my especial concern not only to maintain but to draw closer the ties of cordial friendship so happily existing between the United States of America and my country. In this I shall count upon the support and good-will which I beg you, Mr. President,

to extend to me, as also upon the friendly assistance of the Government of the United States.

I desire, in the first place, to pay tribute to the generous thought that has prompted your program of assistance to Greece. It bears witness to a high conception of solidarity among the nations, with a view to the maintenance of the free democratic institutions that are a guarantee of peace and security. In the critical moments through which my country is passing there could be no more heartening gesture. Your decision, Mr. President, and that of the Congress of the United States, is at once generous and far-sighted, and the Greek people are profoundly and unanimously grateful.



Greece has ever placed her faith in those democratic ideals for which our two countries lately took up arms. At this moment my Government's principal concern is to ensure fulfilment of the Greek people's desire for stability within the country combined with external security. It is firmly convinced that in this endeavor it will enjoy the support of the United States, so that the democratic ideals and international justice for which our Allies and Greece fought may become reality.

The people of Greece hold your country in higher regard and affection than ever before. The United States of America is today the symbol and the hope of freedom for the peoples of the world. The people of Greece have been stricken by the tempest of war—a war in which they gave their all—and now they turn in gratitude to their country's great Ally, whose interest in their welfare, now demonstrated actively, affords the surest guarantee of my country's future.

### TEXT OF THE PRESIDENT'S REPLY

[Released to the press June 9]

MR. AMBASSADOR: It is a great pleasure to accept the Letter of His Majesty the King of the Hellenes accrediting you as Ambassador Extraordinary and Plenipotentiary of Greece to the Government of the United States of America.

There have long existed between the American people and the Greek people strong ties of sympathy and friendship. Ideals of freedom and democratic government born in ancient Greece were a primary source of inspiration to the founders of the American Republic and to the authors of our Constitution. Not many years after our nation came into existence the youthful United States gave sympathy and encouragement to the Greek people in their struggle for freedom. These cordial bonds between our two countries have never been broken.

I note with satisfaction your Excellency's friendly reference to the assistance which the Congress has recently authorized me to extend to the Greek people. It is my hope, as it is the hope of the American people, that the aid which we extend to your country will help to bring about the speedy restoration of tranquillity, of economic stability, and of national unity which will assure the Greek people the possibility of working toward a happier future through the maintenance and development of free institutions.

I most sincerely welcome you to this country as the representative of a nation for which all the American people have a profound admiration.

I shall be grateful, Mr. Ambassador, if you will

convey to your Sovereign my appreciation for his friendly message and my best wishes for his personal happiness.

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### George C. McGhee Appointed Coordinator of Aid to Greece and Turkey

The Secretary of State on June 18 announced the appointment of George C. McGhee as Coordinator of Aid to Greece and Turkey.

Mr. McGhee, Special Assistant to William L. Clayton, Under Secretary for Economic Affairs, will officially assume his new post within a few days. He already has coordinated the initial formulation of plans and personnel for the Greek and Turkish missions both in the Department and as the deputy chairman of an interdepartmental committee.

As Coordinator of the missions, Mr. McGhee will be attached directly to the Under Secretary of State for the purpose of assisting and expediting the work of the Chiefs of the aid missions. He will receive all problems and requests of the Chiefs of Mission and immediately will focus the attention of the Department and other interested agencies of the Government on them in order to obtain the fastest possible action. As Under Secretary of State Acheson stated recently, the Coordinator will have immediate access to the Under Secretary, the Secretary of State, and other Cabinet members so that all problems that arise may be met as expeditiously as possible.

# Use of Occupation Currency by Four Occupying Powers

BY ASSISTANT SECRETARY HILLDRING<sup>1</sup>

I am appearing before you today in response to telegrams addressed to the Secretary of State by Senator Bridges, Chairman, Senate Committee on Appropriations. These telegrams express the interest of the Committee on Appropriations, the Committee on Banking and Currency, and the Armed Services Committee of the Senate in the following subjects:

1. Occupation currency policies, procedures, and transactions of the Federal Government as determined and administered by the military authorities or other officials within the occupied areas of Germany and elsewhere.

2. Any agreements or understandings between the Soviet Government and our own Federal Government regulating the issuance, transactions in, and redemption of Allied military currency.

The Department of State has paramount responsibility, within the Executive branch of the Government, for the establishment of an integrated policy on the part of our Government toward foreign countries, including areas occupied by United States forces. Administration of our national policy in occupied areas is the responsibility of the United States military authorities. Nevertheless the Department of State has, of course, a continuing interest in the procedures whereby our national policy is implemented, from the standpoint of assuring, in coordination with the War Department and other interested agencies, that such procedures are of a nature to further the earliest possible accomplishment of the basic aim of our Government, namely, a just and lasting peace.

United States policy regarding the currencies to be used in occupied areas was formulated, in

advance of military operations, in consultation among the State, Treasury, War, and Navy Departments and then incorporated in directives of the Joint Chiefs of Staff. Policy with respect to areas of combined military operations was embodied in directives of the Combined Chiefs of Staff to the respective Allied military commanders.

## Factors Determining the Choice of Occupation Currency in Overseas Areas

A basic problem was the determination of whether to use dollars or local currency in overseas areas liberated by or occupied by our armed forces. The decision was made to use local currency or a military or occupation currency similar to the local currency in the various overseas areas for the following reasons.

In the case of Germany, our policy has been to require the German economy to bear the internal costs of occupation of that country. It would have been difficult to assure this incidence of occupation costs had dollar currency been introduced into the local economy. The introduction of dollar currency would have resulted in the acquisition of dollar claims against the United States by the local population. Furthermore, it was considered that the use of a different currency by each of the invading forces would have prejudiced the adoption of common economic and financial policies. It was therefore agreed among the occupying powers that a special Allied military mark should be used to circulate at parity with the Reichsmark.

The same considerations applied generally to Italy, Austria, and Korea at the time our armed forces entered those countries. Similar considerations regarding the burden of the internal costs of occupation were present in the case of Japan, where, however, the indigenous currency was used almost entirely by our occupation forces.

The same policy was adopted for different reasons with respect to invaded Allied countries which were liberated by our forces. An im-

<sup>1</sup> Statement made before the Senate Committee on Appropriations, the Senate Committee on Banking and Currency, and the Senate Armed Services Committee, jointly, on June 18, 1947, and released to the press June 19. John H. Hilldring is Assistant Secretary of State for occupied areas.

portant factor was the strong desire of our Allies to avoid the introduction to their economies of foreign currencies. Furthermore, it was considered that the use of local currencies would involve a minimum of disturbance to the local economies, a factor of considerable importance to our military commanders who were concerned with avoiding disorder and economic breakdown behind their lines. Also, dollar currencies used in liberated countries might have found their way into enemy hands, the element of risk in this regard being especially high in military operations such as our overseas invasions. Finally, when Allied forces were composed of troops of more than one nationality fighting side by side, it was desirable that they should employ and be paid in the same currency.

**Agreements and Understandings Between the U.S. and Soviet Governments Regulating the Issuance, Transactions in, and Redemption of Allied Military Currency**

During the combined U.S.-U.K. military planning for the Normandy invasion, in the winter and spring of 1944, it was decided by the U.S. and British Governments that the combined military forces would use legal tender German mark currency for their expenditures in Germany. In order to be prepared for any eventuality, including a situation in which inadequate supplies of Reichsmark currency would be available to the combined military forces, due, for example, to a scorched-earth policy on the part of the Nazis, a supply of supplemental mark currency, i.e. Allied military marks, similar to the Allied military lire used by the combined military forces in Italy, was printed for the Supreme Commander, A.E.F. This printing was effected, for U.S.-U.K. account, by the Treasury Department in advance of Allied military operations in Germany. The printing took place in the United States because currency printing facilities were then available in this country but not in Great Britain.

Under international law, the Hague conventions, and the decisions of the Supreme Court of the United States, the military commander in areas occupied by the forces under his command has all the powers necessary for the carrying out of governmental functions. These powers include the right to provide for the currency needs of the area occupied. In fact, it is a fundamental principle of international law that an

occupying authority has, in addition to its powers, certain obligations to the inhabitants of the territory under its control, such as the establishment and maintenance of an adequate and effective circulating medium.

The above-mentioned policy was incorporated in the directive from the Combined Chiefs of Staff to the Supreme Commander, A.E.F., as follows: "United States forces and other Allied forces will use Allied Military marks and Reichsmarks currency or coins in their possession. Allied Military marks and Reichsmark currency and coin now in circulation in Germany will be legal tender without distinction and will be interchangeable at the rate of 1 Allied Military mark for 1 Reichsmark. Reichskreditkassenscheine and other German military currency will not be legal tender in Germany."

Negotiations were undertaken with the Soviet authorities in Washington for the purpose of obtaining Soviet agreement to use the same supplemental mark currency, i.e. Allied military marks, in Soviet military operations in Germany. It was desired by the United States and British Governments that the Soviet Government use the same supplemental German currency as that used by the combined U.S.-U.K. military authorities not only in order to indicate to the Germans and others the unity of U.S., British, and Soviet action and objectives but also in furtherance of the policy of treating Germany as an economic unit. The probable alternatives to the use of a supplemental currency of uniform design would have been for the Soviets to use a supplemental military mark of their own design or Soviet ruble currency. However, the Soviet authorities agreed to use a supplemental mark currency of same design as that which would be used by U.S. and British forces in Germany. The U.S. and British Governments offered to furnish the Soviets with adequate supplies of Allied military mark currency. Nevertheless, the Soviets were adamant in their request to be furnished with currency printing plates from which the Soviets could prepare their own supplies of Allied military marks. The reasons given by the Soviet Government for this position were that, in the interests of an uninterrupted supply to the Soviet Army of the currency in question, it would be desirable to print Allied military marks in the Soviet Union as well as in the United States, and that Soviet

specialists considered that, if military marks were not also printed in the Soviet Union, it would be disadvantageous for our common Allied cause.

This subject was brought before the Combined Civil Affairs Committee, an agency of the Combined Chiefs of Staff, for consideration. The Department of State is a member of the Combined Civil Affairs Committee. It was pointed out by the War Department that the type of mark currency to be used by the Soviet forces was not a determining factor to the success of the prospective U.S.-U.K. military operations and that the problem was of a political and not military nature.

The decision relative to the above-mentioned request of the Soviet authorities for currency printing plates was made at governmental level. A combined decision was reached by the U.S. and British Governments whereby duplicate Allied military mark currency printing plates were furnished by the Treasury Department to the Soviet Embassy in Washington.

If the Soviets had not been provided with plates with which to print Allied military mark currency, they would have printed a supplemental mark currency of Soviet design. A statement to this effect was made in a note, dated April 8, 1944, from the Soviet Government. Under United States policy to treat Germany as an economic unit, it would have been necessary for the United States to recognize, as legal tender in Germany, any supplemental mark currency issued in Germany by the Soviet authorities. The experience in other countries indicates that the long position of the U.S. armed forces in mark currency would have occurred even if the Soviets had been unable to print their own Allied military marks with plates supplied by the U.S. Government.

There is no obligation on the part of any of the occupying powers to redeem any Allied military marks. This is a responsibility of the eventual German government. Quadripartite arrangements for control of Germany by Allied representatives, dated September 20, 1945,<sup>2</sup> contain the following stipulation: "The German authorities will supply free of cost such German currency as the Allied Representatives may require, and will withdraw and redeem in German currency within such time limits and on such terms as the Allied

Representatives may specify, all holdings in German territory of currencies issued by the Allied Representatives during military operations or occupation, and will hand over the currencies so withdrawn free of cost to the Allied Representatives." Such redemptions as have been effected by any of the occupying powers have been undertaken in accordance with each power's policies respecting currencies in the hands of their troops.

No rate of exchange for the German mark has been agreed upon by any of the four occupying powers in Germany. However, the four occupying powers have agreed to use a military conversion rate for the mark, for military and accounting purposes, of 10 marks equal \$1, or approximately the equivalent thereof in terms of the currencies of the three other occupying powers.

#### **Transactions in Foreign Currencies by Authorized Personnel**

Basic to the armed forces' transactions in foreign currencies was the proviso that foreign currencies in the hands of military and other authorized personnel received by them as pay, allowances, and other authorized compensation were to be accepted for immediate remittance in dollars to the U.S. After the State, Treasury, War, and Navy Departments had decided on the currencies to be used and made provisions for their requisition, the armed forces established procedures to handle and control these remittances. In the first areas of major military activity—North Africa and Italy—these controls proved satisfactory in successfully providing for the needs of the armed forces and limiting remittances to amounts legitimately received for pay, allowances, and other authorized compensation, which augured well for similar procedures in other areas. However, these controls were not so universally successful elsewhere. In Germany, Austria, Japan, and Korea the excess remittance problem has proved greatest. The State, War, and Treasury Departments have participated in negotiations with foreign countries resulting in a settlement of the excess currency problem in connection with negotiations covering financial problems arising out of this war in countries other than Germany, Austria, Japan, and Korea. These agencies are now joined in a review of procedures pointed towards the elimination of the excess currency problem in countries where such problem still exists.

<sup>2</sup> BULLETIN of Oct. 7, 1945, p. 515.

# John H. Hilldring Resigns as Assistant Secretary of State for Occupied Areas

## EXCHANGE OF LETTERS BETWEEN THE PRESIDENT AND MAJOR GENERAL HILLDRING

[Released to the press by the White House June 20]

*June 20, 1947.*

DEAR GENERAL HILLDRING:

In accordance with your request, I feel that I have no alternative but to accept your resignation as Assistant Secretary of State effective September 1, 1947. I know that at the time you assumed your present duties you agreed to serve for six months and that you have long outstayed your original commitment. I am grateful for this, particularly because I have no doubt that it involved considerable personal sacrifice to you.

The distinction with which you discharged your responsibilities has added significance in view of the complexities and magnitude of the problems with which you were entrusted. There are few aspects of our foreign policy more important than the accomplishment of our objectives in the occupied areas. These objectives comprise essential threads in the fabric of the peace. I believe that the contribution you have made represents an achievement of decisive importance in the evolution of our foreign policy.

I reluctantly accept your resignation and I desire to express to you my gratitude for the job that you have done.

Very sincerely yours,

HARRY S. TRUMAN

*June 17, 1947.*

MY DEAR MR. PRESIDENT:

It is with the deepest reluctance that I submit herewith my resignation as Assistant Secretary of State. No work I have ever undertaken has presented a greater challenge to me, and I have the deepest conviction that no public servant has received a greater measure of support than has been accorded to me by former Secretary of State Byrnes, Secretary Marshall and yourself.

I look back upon my service as Assistant Secretary of State as one of the richest experiences of my life and I am grateful to you for having made this possible.

You will recall that prior to my assumption of this office in April of 1946, I explained to Mr. Byrnes that my personal plans had not envisaged further public service after my retirement from the Army. However, Mr. Byrnes expressed his belief that because of my experience I should consent to organize the occupied areas office in the Department of State. Accordingly, I agreed to undertake these duties for six months. Although this period has long since expired, I am glad I was able to rearrange my personal affairs so as to permit me to remain for a time longer than my commitment to Mr. Byrnes.

I now find it impossible, for personal reasons, to remain beyond September 1. Therefore, I respectfully request that you accept my resignation effective on that date.

Faithfully yours,

J. H. HILLDRING

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## American Consulate To Open in Leningrad

[Released to the press June 16]

The Department has been informed by the Soviet Embassy that the Soviet Government has now agreed to the opening of an American Consular Office in Leningrad.

The Soviet Embassy has been requested to inform the Soviet Government that the Government of the United States welcomes this decision and plans to open a Consulate General in Leningrad as soon as the necessary arrangements can be made.

## Status of Jewish Displaced Persons

BY RABBI PHILIP S. BERNSTEIN<sup>1</sup>

At the request of the State and War Departments I have just flown over from Germany to testify concerning H.R. 2910. I am Adviser on Jewish Affairs to General Clay, Commander in Chief of the European Command. I have served in that capacity since May 1946, both to General McNarney in Germany and to Generals Clark and Keyes in Austria.

During the war I was the director of the Jewish religious program for the U.S. armed forces. I worked closely with 311 American rabbis who served as chaplains in the Army and Navy. At the invitation of the Secretaries of War and Navy, I visited American military personnel on most of the far-flung battlefields of the world. There was hardly an island in the Pacific, from Attu to Guadalcanal, where American troops were stationed, to which this duty did not take me. In the later stages of the war and after its close, particularly in Europe, we began to encounter the displaced persons. These were the survivors of a Nazi policy which has enslaved those who could be useful and slaughtered the rest.

The bill before you deals with the question of the admission over a period of four years of up to 400,000 displaced persons out of the million Balts, Poles, Jews, Ukrainians, and Yugoslavs that the western Allied armies now have under their care.

Naturally this Committee wants to know what these people are like. It has been felt that it would be useful to you to have some testimony from some of those who have had a long and varied first-hand contact with these people in the numerous camp communities in which they are now living.

Others can testify from wider experience and with greater authority concerning the displaced persons as a whole. But my own experience, both

in the war and after, has given me a special familiarity with the Jewish displaced persons, who constitute about 20 percent of the whole number. I visited nearly all of the considerable number of camps in Germany and Austria in which they are to be found. I have heard the moving stories of their past and how they would like to rebuild their lives. I have seen how they live and what they are doing in the small communities in which they are now gathered. I have also been called upon to regard them in terms of the practical responsibilities of the U.S. zone commanders. Perhaps that is why the Secretaries of State and War have requested me to share with you my knowledge and experience of this particular group of displaced persons.

At the close of the European war we found about 30,000 Jews still alive in the concentration camps. Soon their numbers were augmented by many thousands, including orphaned children who had hidden in forests, caves, and cellars. Further numbers came from partisan bands who had fought valiantly against the Nazis. The majority of these displaced persons were Polish Jews. When after the German defeat they returned to their homes they learned that their families had been exterminated, their property had been demolished or confiscated, and their hopes for a new free life were blasted by violent pogroms. They then fled to haven in the U.S. zones of Germany and Austria. A smaller number came from Hungary and Rumania, where they encountered a similar legacy of Nazi anti-Semitism.

The total number of these various uprooted, homeless Jews, now to be found in the zones of the western Allies in Germany and Austria, as well as in Italy, is approximately 225,000. The majority of these are in the U.S. zone, Germany, where the Jewish DP population in and out of camp on June 2, 1947, amounted to 156,646. In the U.S. zone, Austria, the number is 27,456. The British zones

<sup>1</sup> Statement made before the House of Representatives Subcommittee on Immigration and Naturalization on June 20, 1947, and released to the press on the same date. Rabbi Bernstein is Adviser on Jewish Affairs to General Lucius D. Clay, Military Governor of the European Theater.

in Germany and Austria contain about 16,000, the French zones about 2,000. There are reported to be about 25,000 Jewish displaced persons in Italy. Altogether, these Jews constitute about one fifth of the total DP population.

These homeless Jews cannot return whence they fled. In most instances they have nothing to return to, for their families, their homes, their associations, and their hopes were utterly annihilated. They do not wish to return to countries whose populations willingly assisted the Nazis in the destruction of the Jews and where violent anti-Semitism persists. Regardless of the announced policies of governments, they believe that the peoples have not changed and that their return in any numbers would incite further pogroms. Despite the hardships of camp life, they are almost to a man unwilling to return.

There is no question that the great majority of Jewish displaced persons strongly desire to settle in Palestine. I would say that at the most about 25 percent of the Jewish DP's or approximately 30,000 would, if given the opportunity, choose to come here. Primarily, these would wish to come because they have relatives here. Jewish family life has been hopelessly shattered in Europe. The families of most of these people have largely been destroyed. Large numbers are orphaned children or lone survivors. These people have a perfectly natural and overwhelming desire to attach themselves to the remaining members of their families in America. Also, they wish to come because they see, as most Jews have seen, in the American way of life the best hope for freedom and justice.

My observations led me to the conclusion that they would make good American citizens. Although they reveal the usual variations of intelligence, character, and ability, and although the immigration screening process would undoubtedly find some to be ineligible, fundamentally they are good human stock. Otherwise they could not have survived nor rehabilitated themselves so quickly.

It is well to recall the situation which confronted them when they were liberated in the spring of 1945. Six millions of their brethren had been killed. Their own families had been almost completely exterminated. The cries from the gas chambers still echoed in their ears. They had no homes, no jobs, no property, no business. There had been no education of the young, no religious

exercises, no family life. Each individual had personally suffered agonizing persecution. All found themselves in an atmosphere poisoned by a decade of Nazi propaganda.

This situation would have been enough to crush almost any group of human beings. But not these. With the help primarily of the American Army they made a quick physical comeback. Flesh was restored to living skeletons. Vitality surged through their blood again.

Their first interest was to seek surviving members of their families. Their agonizing search followed the trails of the Nazi hordes. In most instances the search led only to ashes. But occasionally a wife, a parent, or a child would be found. The stories were fantastic but true. This child was thrown in a suitcase out of the window of a moving train by parents who knew they were on the way to the gas chambers but subsequently escaped. Another was chloroformed by his father and carried in a sack of potatoes to a Christian peasant who maintained the boy until the war was over.

After the fragments of families were reunited they began to establish new ones. Many marriages took place and children were born. The traditional values of Jewish family life were reasserted; illegitimacy is practically unknown. In lands where venereal disease has reached the most alarming proportions among the military and the civilian populations, it is negligible among the Jews.

They were settled in camps as the best way of taking care of them amidst the hostile, impoverished German population. For the most part, these camps were bare, drab, and ugly. Also, they had already seen too much of camps. Nevertheless they faced the realities and made the best of them. They organized the camps on democratic lines and gradually assumed complete responsibility for their administration as well as for their menial tasks. Most Jewish camps are conducted by the DP's themselves. They perform all the necessary services of a community.

They quickly reestablished the institutions of Jewish religious and cultural life. They consecrated houses of worship in crude shacks or barren rooms. They beautified them with the symbols of the synagogue. In some camps where materials were available they built religious edifices and thronged to worship in them. When enough



children were assembled they set up classes. They conducted adult-education courses in cultural and technical subjects as well as in the English language. They even founded higher academies of religious learning and people's universities. They organized musical and dramatic groups. They published as many newspapers and magazines as could be provided with paper. The average camp, despite its grimness and frustrations, is alive with the manifestations of the unconquerable human spirit.

At first they could not and would not work. They were too weak. They refused to perform any labor that might help the Germans who had despoiled them. But as strength was restored their attitude changed. Today, although most of them still will not work for the Germans, they do all sorts of work for the Army, voluntary agencies, and themselves. In the past year I have not encountered a single instance where there was more work than workers. But there are, very unfortunately, limitations upon their opportunities for employment. These limitations are usually imposed by lack of materials and by lack of machines. Sometimes they overcome this with remarkable ingenuity. There are workshops in some camps that specialize in the manufacture of utensils, toys, and religious objects out of tin cans. They do beautiful work which has been exhibited in the European Command Headquarters. Every camp has a tailor shop which remakes the cast-off clothing sent from America. Damaged army blankets purchased by the American Jewish Joint Distribution Committee have been refashioned into attractive practical winter garments for children.

A number of camps raise food for themselves and other DP's. Specifically, 3,600 Jews are settled in agricultural training camps where they must meet minimal production requirements set by the Army. The farm of the notorious anti-Semitic Julius Streicher is now a thriving DP settlement on which over a hundred young Jews receive training as they await resettlement.

A great variety of labor skills is represented among these DP's. Artisans predominate, namely carpenters, painters, textile workers, shoemakers, tailors. There is a fair-sized group of technicians specializing in auto mechanics, electricity, dentistry, et cetera. Nurses and doctors, because they

were found necessary by the Nazis, survived in goodly numbers. Actually, the largest single group, about 15 percent, consists of tailors, male and female. This happens to be an industry in which the United States is actually short of skilled help at the present time. I have been informed since my return that my own city of Rochester, for example, could use at least 3,000 of these tailors at this very moment.

At least one third of the maximum of 60,000 Jewish displaced persons who would come here, if the opportunity were afforded, would be children. Most of them would go to their relatives who would provide at least temporary shelter in their own homes where there might be a housing shortage. Responsible Jewish organizations are ready to guarantee that they would not become a burden on the community.

Of course, there are exceptions to the general picture that I have given you of these people and the communities in which they are living. The corroding effects of lack of opportunity for work, overcrowding in the shelter afforded, the haunting vision of their immediate past, and uncertainty and despair as to their future have at various times and in various places produced unhappy situations. But to focus attention on these and treat them as typical would be entirely misleading. These displaced persons are human beings like other human beings. They have already been through the tough screening process of the greatest adversity. By and large, they have shown the moral and physical stamina necessary to survive and rebuild their lives if given an opportunity. It has been a remarkable achievement in self-rehabilitation. Gen. Lucius D. Clay, who watched and assisted this process over the past two years, has appraised it as follows:

"The behavior of the Jewish displaced persons has not been a major problem at any time since the surrender of Germany. The Jewish displaced persons were quickly gathered into communities where their religious and selected community leaders insisted on an orderly pattern of community life. Of course, we have had many minor problems resulting from the assembly of large numbers of Jewish displaced persons in the midst of the people who had caused their suffering. Moreover, the unsettled economic conditions in Germany have made barter trading and black-market operations a com-



non problem. Even in this field, the Jewish displaced persons have not been conspicuous in their activities as compared to other displaced-persons groups or, in fact, as compared to the German population itself.

"The Jewish displaced persons have on the whole established an excellent record insofar as crimes of violence are concerned, and in spite of their very natural hatred of the German people have been remarkably restrained in avoiding incidents of a serious nature with the German population.

"In view of the conditions under which they have had to live in Germany, with their future unsettled and their past suffering clear at hand, their record for preserving law and order is to my mind one of the remarkable achievements which I have witnessed during my more than two years in Germany."

I have been describing to you the particular group of displaced persons among whom I have been working for the Army. They suffered the first and the worst at the hands of our common enemy. Like other groups of displaced persons, they find themselves today under circumstances beyond their control, in the midst of the people who are responsible for their misfortunes. They are caught in a trap from which they cannot extricate themselves by their own efforts. They are unwilling to go back and they cannot remain where they are. They must go elsewhere if they and their children are to have a chance to build lives for themselves. The problem of this group with which I am best acquainted is but a segment of the broader problem of what to do with the displaced persons as a whole. Let me say a word as to that broader problem.

The American people are now called upon through their elected representatives to make a decision, momentous to the fate of all displaced persons. Our own armies alone have 600,000 of them under our care. Some decision must be made. Even a postponement of decision is a decision—a negative decision. It would doom these people to another winter of blighting uncertainty and inability to help themselves. It might be the death-blow to the morals and hope of thousands. The decision narrows down, then, either to merely prolonging the existence of the displaced persons in the camps, primarily at the expense of the United

States, or to an early reasonable program of resettlement in which this country would take a part to enable these displaced persons to resume life in a normal atmosphere and to achieve self-respect through work and freedom.

I trust you will bear with an expression of my personal opinion as an American citizen as to this decision. I believe that American tradition, American common sense, and decent humanitarianism here unite to say, "Take these people in."

It was prophesied of old that the time would come when nations will be told:

"Come, ye blessed of my Father, inherit the kingdom prepared for you from the foundation of the world:

"Then shall the righteous answer him, saying, Lord, when saw we thee an hungered, and fed thee? or thirsty, and gave thee drink?

"When saw we thee a stranger, and took thee in? or naked, and clothed thee?

"Or when saw we thee sick, or in prison, and came unto thee?

"And the King shall answer and say unto them, Verily I say unto you, Inasmuch as ye have done it unto one of the least of these my brethren, ye have done it unto me."

This is the time to practice what we believe.

## U.S.-Swedish Import Discussions Concluded

[Released to the press June 18]

The Department of State announced on June 18 the favorable conclusion of discussions between representatives of the Governments of the United States and Sweden, relating to the Swedish import restrictions of March 15, 1947. The understanding which has been reached has been referred to the Government of Sweden for final approval, and it is expected that the full text of the understanding will be made public in the near future.

During the course of the discussions with the Swedish representatives, Envoye Dag Hammar-skjöld and Sven Brusewitz, a wide range of commercial and financial problems of mutual interest to the Governments of the United States and Sweden have been considered and the understanding reached should prove to be of assistance in the furtherance of international trade.

## Administration of Guam, Samoa, and the Pacific Islands

### LETTER FROM THE PRESIDENT TO THE SPEAKER OF THE HOUSE <sup>1</sup>

THE WHITE HOUSE,  
*Washington, D.C., June 19, 1947.*

HON. JOSEPH W. MARTIN, JR.,  
*Speaker of the House of Representatives.*

MY DEAR MR. SPEAKER:

There is enclosed a copy of a report from the Secretary of State indicating a course of action which the Secretaries of State, War, Navy, and Interior have agreed should be followed with respect to the administration of Guam, Samoa, and the Pacific islands to be placed under United States trusteeship.

On October 20, 1945, I appointed a committee consisting of the Secretaries of these four Departments to make recommendations concerning this matter. After preliminary consideration it seemed inadvisable to formulate a final recommendation until a determination had been made of the status of certain islands formerly under Japanese control. In the meantime the Departments represented on the committee continued to give study to the problems involved.

After the United Nations Security Council approved a trusteeship agreement designating the United States as the administering authority for the former Japanese mandated islands, I requested that the members of the committee again give joint

consideration to problems relating to the administration of the Pacific islands. The enclosed report has been submitted pursuant to that request.

I am sure that the agreement reached by the four Secretaries will be of interest to the Congress in connection with its consideration of legislation to provide civilian government for these islands and that the information obtained by the Departments in studying this question will also be helpful in the consideration of such legislation.

It has long been my view that the inhabitants of Guam and Samoa should enjoy those fundamental human rights and that democratic form of government which are the rich heritage of the people of the United States. We have already extended those rights and that form of government to other possessions of the United States, such as Puerto Rico and the Virgin Islands, and with respect to the inhabitants of the trust territory have given solemn assurance to the United Nations of our intention to grant these inhabitants a full measure of individual rights and liberties.

I hope that the Congress will approve legislation for the purposes indicated in the enclosed report and that such legislation will provide for the full enjoyment of civil rights and for the greatest practicable measure of self-government.

Very sincerely yours,

HARRY S. TRUMAN

### REPORT OF THE SECRETARY OF STATE

DEPARTMENT OF STATE,  
*Washington, June 18, 1947.*

The PRESIDENT

*The White House.*

DEAR MR. PRESIDENT:

Pursuant to your request, the Secretaries of State, War, Navy, and Interior have held several meetings and have agreed upon the following course of action:

<sup>1</sup> H. Doc. 333, 80th Cong., 1st sess. An identical letter was sent to Arthur H. Vandenberg, president *pro tempore* of the Senate.

1. Separate organic legislation for Guam to provide civil government and to grant citizenship a bill of rights, and legislative powers to Guamanians should be enacted this session. In recent hearings on such organic legislation, the Departments have recommended the transfer of administration from the Navy Department to a civilian agency designated by the President at the earliest practicable date, the exact date to be determined by the President.

2. Organic legislation for American Samoa, providing civil government and granting citizenship

a bill of rights, and legislative powers, should be prepared by the Navy and Interior Departments and presented to the next session of Congress.

3. Suggestions for organic legislation for those Pacific islands placed under United States trusteeship are in preparation by the Department of State for presentation to Congress, provided favorable congressional action is taken on the trusteeship agreement to be shortly presented for approval.

4. The Navy Department should continue to have administrative responsibility for Guam and American Samoa on an interim basis pending the transfer to a civilian agency of the Government at

the earliest practicable date, such date to be determined by the President. With respect to the trust territory, a similar transfer should be effected by the President at the earliest practicable date.

5. Provided Congress acts favorably on the trusteeship agreement, an Executive order should be issued when the agreement enters into force, terminating military government in the trust territory and delegating civil administration to the Navy Department on an interim basis, subject to the conditions set forth in paragraph 4.

Faithfully yours,

G. C. MARSHALL

## Assistance to China Through Private Contribution

### TELEGRAM FROM THE SECRETARY OF STATE TO UNITED SERVICE TO CHINA

[Released to the press June 19]

*June 19, 1947.*

UNITED SERVICE TO CHINA,  
1790 Broadway,  
New York 19, New York.

I had hoped until now to be able to find a favorable occasion for a public appearance in support of the effort of the United Service to China in raising funds. But this has proven impossible of arrangement. Therefore this telegram.

The tradition of friendship between Chinese and Americans is centuries old. It is based upon the firmest of foundations. Americans like Chinese; and Chinese like Americans. Over the past century this friendliness has expressed itself in many ways but primarily in cultural relations.

We have learned something of the great wisdom and culture of China through the large number of professors and students of that country who have come to America. We have sent to China innumerable emissaries of American culture as missionaries, educators, doctors, and businessmen; in fact, we have expended large sums of money in China in contributions to missions and to various foundations. This has been a very wise expenditure for our good as well as for the good of China.

Today the Chinese people are suffering tragically from the disorganization resulting from eight years of warfare against the Japanese and the turbulence of the civil war which has followed. They are in desperate need of assistance and I for

one hope very much that through the United Service to China organization material assistance can be rendered.

In 1941 a group of far-sighted Americans organized United China Relief. Its purpose was to make effective the assistance which the American people desired to extend to the Chinese during the period of great hardship and difficulty arising out of the war. For six years private contributions to United China Relief enabled that organization to establish many worthwhile projects. The refugees were fed, clothed and sheltered; medical attention was given to the civilian population; children received expert care; aid was given to students and teachers; plans for carrying out the program were prepared by expert workers in the field and carefully reviewed in the United States by leaders of business, education, medicine and social welfare specialists. Contributions to the program were carefully budgeted and expended under scrupulous supervision with regular audits. These procedures, applied to the United Service to China program, assure the maximum effectiveness of what it can do to assist the Chinese people.

I am personally and deeply concerned over the present situation in China and I sincerely hope that through voluntary private contributions urgently needed assistance can be rendered the suffering people of that country. They need our help, the help that in the past has always come from Americans wholeheartedly and generously.

G. C. MARSHALL

## Burma Rehabilitation Efforts Praised

### MESSAGE FROM THE SECRETARY OF STATE TO THE CHAIRMAN OF THE BURMA CONSTITUENT ASSEMBLY<sup>1</sup>

On this historic occasion, I extend to you as Chairman of the Constituent Assembly and through you to the Burmese people the sincere good wishes of the United States Government and the people of the United States of America for a successful conclusion of the important task you are about to undertake. Burma's peaceful and steady progress in rehabilitation is being watched with sympathetic interest. Freedom-loving people throughout the world hope that you will lay the foundation for a stable and peaceful nation.

## Position on Representative Administration for Indonesia

### STATEMENT BY THE SECRETARY OF STATE

[Released to the press June 12]

The United States Government has been glad to note the fact that the Indonesian Republic has replied promptly to the proposals of the Netherlands Government of May 27 for an interim federal administration representative of all parts of Indonesia. Although the full texts of both the Dutch and Indonesian proposals are not yet in hand, we hope that these developments imply that a peaceful solution will be achieved promptly in a spirit of good faith and compromise.

## Honduran Agriculturist Visits U.S.

Pompilio Ortega, Director General of Agriculture of Honduras, has arrived in the United States as the recipient of a travel grant of the Department of State under the program administered by the Division of International Exchange of Persons. Mr. Ortega will confer with officials of the United States Department of Agriculture and will visit educational centers and agricultural institutions throughout the country.

Mr. Ortega has been engaged for over 20 years

<sup>1</sup> Read before the Assembly in Rangoon on June 10, 1947, and released to the press on the same date. Thakin Mya is Chairman of the Constituent Assembly.

in the task of assisting his country in solving its agricultural problems and has expressed the desire for the cooperation of the United States in working out solutions. After visiting Washington, D.C., and the eastern part of the United States, Mr. Ortega will travel to the Pacific Coast. He will remain in the United States for approximately three months.

## Fellowships for Inter-American Institute of Agricultural Sciences

[Released to the press June 18]

The Department of State has been informed of six fellowships for graduate students to perform research studies at the Inter-American Institute of Agricultural Sciences at Turrialba, Costa Rica. Four of the awards will be granted to United States students and two to graduate scholars from the other American republics.

Applications are being received through the secretary of the Inter-American Institute of Agricultural Sciences, Pan American Union, Washington 6, D.C. Arrangements for the fellowships are being made with the cooperation of the Division of International Exchange of Persons of the State Department's Office of International Information and Cultural Affairs and the Foreign Agricultural Relations Division of the Department of Agriculture. The Division of International Exchange of Persons facilitates the studies of foreign students in the United States and also aids U.S. students who wish to study in foreign countries.

The Inter-American Institute of Agricultural Sciences is an organization comprising, to date, 14 of the American republics for the purpose of encouraging and advancing the development of the agricultural sciences in the American republics through research, teaching, and extension activities. It is particularly interested in laying the foundation for a scientific approach to the development of important agricultural products. In a broader sense, it serves to promote friendship and better understanding by fostering constructive cooperation in the agricultural field among the republics of the American Continent.

Funds for the current awards were made available from private sources in the United States. They provide for special studies in weed, insect and fungus control, and in cocoa research.

# Reiteration of Position on Program for International Information and Educational Exchange

## LETTER FROM THE SECRETARY OF STATE TO REPRESENTATIVE MUNDT

[Released to the press June 21]

*Text of the following letter from the Secretary of State to Representative Karl E. Mundt was read on the floor of the House on June 20*

*June 19, 1947*

DEAR MR. MUNDT:

I learn from the Department's Legislative Counsel that the House is about to take final action on H. R. 3342, authorizing an international information program and educational exchanges.

Since I appeared before the Foreign Affairs Committee in support of this bill on May 17, Members of Congress have attributed to me a great variety of opinions concerning the bill. I want to make my position plain.

I consider American security to rest not only on our economic and political and military strength, but also on the strength of American ideas—on how well they are presented abroad—and on how clearly we are understood abroad.

There is no question that some other nations are using ideas as weapons, and distorting facts to fit their ideas. We do not propose to follow suit. But I am convinced that we must present ourselves clearly, candidly and affirmatively if we are to achieve the kind of peace we believe in. I know from personal experience that we are grossly misunderstood or misrepresented in many parts of the world.

I gave your committee my view that the facts about the United States must be spread in various ways. In some countries we must rely largely on radio. In others we use also the press, or motion pictures, or exchanges of students and books, or the assignment of government advisers. All are important and must be used if we are to be successful. To remove any one of these activities from the bill would be a form of demobilization. Peace cannot be served by any rationing of American facts, or by limiting the methods for making them known.

I have informed Committees of both Houses of Congress that authority for this type of program is necessary if the State Department is to fulfill its responsibilities to the President and the Nation. Without legislative authorization, it has become almost impossible to recruit additional highly trained personnel to work on this program, either at home or abroad.

I am asking for the tools which are necessary to meet present circumstances in world affairs.

Faithfully yours,

G. C. MARSHALL

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### Foreign Aid and Domestic Economy

*Continued from page 1297*

- Granville Conway, President, The Cosmopolitan Shipping Co., Inc., 42nd and Broadway, New York, N.Y.
- Melville F. Coolbaugh, 1700 Maple Street, Golden, Colo.
- Chester C. Davis, President, Federal Reserve Bank, St. Louis, Mo.
- R. R. Deupree, President, Procter & Gamble Co., Cincinnati, Ohio
- Paul G. Hoffman, President, The Studebaker Corp., South Bend, Ind.
- Calvin B. Hoover, Dean, Graduate School, Duke University, Durham, N.C.
- Robert Koenig, President, Ayrshire Collieries Co., Big Four Building, Indianapolis, Ind.
- Robert M. LaFollette, Jr., Barr Building, Washington, D.C.
- Edward S. Mason, Dean, School of Public Administration, Harvard University, Cambridge, Mass.
- George Meany, Secretary-Treasurer, American Federation of Labor, Washington, D.C.
- Harold G. Moulton, President, The Brookings Institution, Jackson Place, Washington, D.C.
- William I. Myers, Dean, College of Agriculture, Cornell University, Ithaca, N.Y.
- Robert Gordon Sproul, President, University of California, Berkeley, Calif.
- Owen D. Young, Honorary Chairman of the Board of Directors, General Electric Company, Van Hornesville, N.Y.

**Letter of Credence***Ireland*

The newly appointed Minister of Ireland, Sean Nunan, on June 20, 1947, presented his credentials to the President. For texts of the Ambassador's remarks and the President's reply, see Department of State press release 507 of June 20, 1947.

**Protection Abroad of Inventions Under Government-Financed Research**

The President, by Executive Order of June 14, 1947,<sup>1</sup> made provision for the protection abroad of inventions resulting from research financed by the Government by granting permission to all Government departments and agencies to file foreign patent applications for such inventions. The order provides that the Department of Commerce shall be fully informed of all such inventions, shall be issued recommendations for patent protection of same, and shall be the determinant of whether, and in what foreign jurisdictions, the United States should seek patents for such inventions; and, after full consultation with United States industry and commerce, with the Department of State, and with other Government agencies concerned, shall take action to procure such patent protection, and shall issue licenses therefor. Nationals of the United States shall be granted licenses on a non-exclusive, royalty-free basis except in such cases as the Secretary of Commerce shall determine to be inconsistent with the public interest. The Department of State shall negotiate arrangements among governments under which each government and its nationals shall have access to the foreign patents of other participating governments. Patents relating to matters of public health may be licensed, under terms of the law, to governments or nationals thereof not party to arrangements provided for in the order.

There will be exempted from the provisions of the order all inventions within the jurisdiction of the Atomic Energy Commission, except in such cases as the said Commission specifically authorizes inclusion, and all other inventions officially classified as secret or confidential for reasons of national security.

<sup>1</sup> Ex. Or. 9865 (12 *Federal Register* 3907).

**THE DEPARTMENT****Policy Committee on Immigration and Naturalization**

I **ESTABLISHMENT AND TERMS OF REFERENCE.** Effective April 18, 1947, there has been established the Policy Committee on Immigration and Naturalization (PIN) to prepare recommendations on United States policy concerning nationality and admission of aliens.

II **MEMBERSHIP.** The membership of PIN shall consist of a representative of each of the following offices:

Office of the Legal Adviser, Chairman  
Office of Controls  
Office of Assistant Secretary for Economic Affairs  
Office of American Republic Affairs  
Office of Far Eastern Affairs  
Office of Near Eastern and African Affairs  
Office of European Affairs  
Committee Secretariat Branch of the Executive Secretariat, Secretary

A Each member of the Committee shall be authorized to present the views of his office on matters coming before the Committee.

III **PROCEDURES.**

A The Chairman may invite to meetings of PIN, as the situation requires, representatives of Offices and divisions of the Department who do not hold permanent membership on the Committee.

B While it is expected that PIN will reach decisions on the principle of unanimity, determination of issues in the event of disagreement shall be by the Chairman in consultation with the appropriate Assistant Secretaries or Office Directors.

**Policy Committee on International Copyright**

I **TERMS OF REFERENCE.** To be responsible for the coordination of Department of State policy with respect to all aspects of international copyright matters. This responsibility shall include the basic work of formulating policy recommendations with respect to international copyright principles and with respect to the types and the scope of treaties and conventions to which the United States should become a Party, as well as the consideration of individual treaties and conventions proposed. It shall further include review, in terms of consistency with the broad copyright principles and policies of the Department, of policy recommendations by any committees established in the Department to regulate clearance of copyrights on materials for official use.

## MEMBERSHIP.

A The membership of PCC shall consist of the Legal Adviser, who shall be its Chairman, and a representative of each of the following Offices: Legal Adviser (Le), Special Political Affairs (SPA), International Trade Policy (ITP), International Information and Cultural Affairs (OIC), and the UNESCO Relations Staff. The Offices which do not have membership in the Committee shall be entitled to participate in the deliberations whenever matters touching their geographic areas or special competence are being considered.

B The members shall be authorized to speak for their respective offices.

C The Chairman shall appoint a Deputy Chairman.

D The Secretary for the Committee shall be provided by the Committee Secretariat Branch of the Executive Secretariat (S/S-S).

## I PROCEDURES.

A The Chairman of PCC or his Deputy shall prescribe the rules of procedure of the Committee and the time and place of its meetings.

B All policy recommendations on copyright matters made by any division or committee of the Department shall be referred to PCC for consideration and decision. Similarly, Department of State members of Interdepartmental Committees shall bring any copyright matters coming before such committees to the attention of PCC and shall report to the Interdepartmental Committee the policy of the Department with respect to the matter under discussion.

C Whenever it appears desirable, the Committee shall invite representatives of the Department of Justice, the Bureau of Foreign and Domestic Commerce, the Library of Congress, or the Register of Copyrights for consultation and discussion of matters of interest or concern to them.

## THE CONGRESS

National Security Act of 1947. S. Rept. 239, 80th Cong., 1st sess., To accompany S. 758. 16 pp. [Favorable report.]

Drafts of Proposed Provisions Pertaining to Appropriations of the Department of State: Communication from the President of the United States transmitting drafts of proposed provisions pertaining to appropriations of the Department of State, in the form of amendments to the Budget, 1948. S. Doc. 58, 80th Cong., 1st sess. 2 pp.

Supplemental Estimate—Department of State: Communication from the President of the United States transmitting supplemental estimate of appropriation for the Department of State, amounting to \$161,645, fiscal year 1948, in the form of an amendment to the budget. S. Doc. 59, 80th Cong., 1st sess. 2 pp.

International Refugee Organization. H. Rept. 464, 80th Cong., 1st sess., To accompany H. J. Res. 207. 6 pp. [Favorable report.]

June 29, 1947

Providing for Acceptance by the United States of America of the Constitution of the International Labor Organization Instrument of Amendment, and Further Authorizing an Appropriation for Payment of the United States Share of the Expenses of Membership and for Expenses of Participation by the United States. S. Rept. 208, 80th Cong., 1st sess., To accompany S. J. Res. 117. 8 pp.

Extending the Period of Validity of the Act To Facilitate the Admission Into the United States of the Alien Fiancées or Fiancés of Members of the Armed Forces of the United States. H. Rept. 479, 80th Cong., 1st sess., To accompany H.R. 3398. 3 pp.

Amending the Act To Expedite the Admission to the United States of Alien Spouses and Alien Minor Children of Citizen Members of the United States Armed Forces. H. Rept. 478, 80th Cong., 1st sess., To accompany H.R. 3149. 2 pp.

Treaties of Peace With Italy, Rumania, Bulgaria, and Hungary. S. Exec. Rept. 4, 80th Cong., 1st sess., To accompany Executives F, G, H, and I. 24 pp.

Supplemental Estimate of Appropriation for Relief to War-Devastated Countries: Communication from the President of the United States transmitting supplemental estimate of appropriation for the fiscal year 1947 in the amount of \$350,000,000 for relief assistance to war-devastated countries. H. Doc. 284, 80th Cong., 1st sess. 2 pp.

Relief of Certain Officers and Employees of the Foreign Service of the United States. S. Rept. 224, 80th Cong., 1st sess., To accompany S. 1032. 15 pp. [Favorable report]

Report on Audit of the Export-Import Bank of Washington, Fiscal Year Ended June 30, 1945: Letter from the Comptroller General of the United States transmitting report on audit of Export-Import Bank of Washington for the fiscal year ended June 30, 1945. H. Doc. 248, 80th Cong., 1st sess. 25 pp.

Continuing Export Control Until June 30, 1948. H. Rept. 507, 80th Cong., 1st sess., To accompany H.R. 3049. 8 pp. [Favorable report]

Extending the Benefits of the Missing Persons Act to Certain Filipinos. H. Rept. 509, 80th Cong., 1st sess., To accompany H.R. 3191. 5 pp. [Favorable report.]

Providing for Settling Certain Indebtedness Connected With Pershing Hall, a Memorial in Paris, France. S. Rept. 223, 80th Cong., 1st sess., To accompany S. 358. 3 pp. [Favorable report]

Amending the Act To Provide for the Evacuation and Return of the Remains of Certain Persons Who Died and Are Buried Outside the Continental Limits of the United States. H. Rept. 513, 80th Cong., 1st sess., To accompany H.R. 3394. 6 pp. [Favorable report]

## Erratum

In the article on agreements between the United Nations, FAO, and UNESCO in the BULLETIN of February 9, 1947, page 250, first paragraph, sixth line, change *February 3, 1947*, to read *February 4, 1947*. The line referring to the release to the press should be deleted.



## PUBLICATIONS

## Department of State

During the quarter beginning April 1, 1947, the following publications have been released by the Department:<sup>1</sup>

2689. Air Transport Services: Agreement Between the United States and Turkey—Signed at Ankara February 12, 1946; effective May 25, 1946 pursuant to exchange of notes of that date. Treaties and Other International Acts Series 1538. 13 pp. 5¢.
2693. Protection of Foreign Interests: A Study in Diplomatic and Consular Practice. By William McHenry Franklin. 328 pp. \$1.50 (buckram).
2729. Health and Sanitation: Agreement Between the United States of America and Honduras—Effectuated by exchange of notes signed at Tegucigalpa April 18 and 19, 1944; effective May 1, 1944; and exchange of notes of May 5 and 8, 1942. Treaties and Other International Acts Series 1557. 23 pp. 10¢.
2730. Central Commission of the Rhine: Arrangement Providing for Participation by the United States of America—Effectuated by exchange of notes signed at London October 4 and 29, and November 5, 1945. Treaties and Other International Acts Series 1571. 4 pp. 5¢.
2731. Air Transport Services: Agreement Between the United States of America and New Zealand—Signed at Washington December 3, 1946; effective December 3, 1946. Treaties and Other International Acts Series 1573. 12 pp. 10¢.
2732. Air Transport Services: Agreement Between the United States of America and Australia—Signed at Washington December 3, 1946; effective December 3, 1946. Treaties and Other International Acts Series 1574. 13 pp. 5¢.
2734. Exchange of Official Publications: Agreement Between the United States of America and France—Effectuated by exchange of notes; signed at Paris August 14, 1945; effective January 1, 1946. Treaties and Other International Acts Series 1579. 5 pp. 5¢.
2739. Iceland, Termination of Defense Agreement of July 1, 1941 and Provision for Interim Use of Keflavik Airport: Agreement Between the United States of America and Iceland—Effectuated by exchange of notes; signed at Reykjavik October 7, 1946; effective October 7, 1946. Treaties and Other International Acts Series 1566. 5 pp. 5¢.
2740. Germany, Economic Fusion of American and British Zones of Occupation: Memorandum of Agreement Between the United States of America and the United Kingdom—Signed December 2, 1946. Treaties and Other International Acts Series 1575. 5 pp. 5¢.

2741. Claims, Traffic Accidents Involving Vehicles of United States and Canadian Armed Forces: Agreement Between the United States of America and Canada—Effectuated by exchange of notes; signed at Ottawa March 1 and 23, 1944. Treaties and Other International Acts Series 1581. 3 pp. 5¢.
2742. Marine Transportation, Waiver of Certain Claims Involving Government Vessels: Agreement Between the United States of America and Canada—Effectuated by exchange of notes; signed at Washington September 28, November 13 and 15, 1946; effective November 15, 1946. Treaties and Other International Acts Series 1582. 4 pp. 5¢.
2746. Register of the Department of State, December 1, 1946. 513 pp. 75¢.
2748. Air Transport Services: Interim Agreement Between the United States of America and Switzerland—Effectuated by exchange of notes; signed at Bern August 3, 1945; effective August 3, 1945. Treaties and Other International Acts Series 1576. 10 pp. 5¢.
2749. The Administrative Subdivisions of Japan. (Gazetteer.) Far Eastern Series 19. xv, 652 pp. Not available for public purchase.
2760. Vocational Industrial Education: Agreement Between the United States of America and Brazil—Effectuated by exchange of notes; signed at Rio de Janeiro March 26 and April 5, 1946; effective from January 1, 1946. Treaties and Other International Acts Series 1534. 19 pp. 10¢.
2762. Commercial Policy: Agreement Between the United States of America and the Netherlands—Effectuated by exchange of notes; signed at Washington November 21, 1946; effective November 21, 1946. Treaties and Other International Acts Series 1564. 2 pp. 5¢.
2763. Trade Relations With the Philippines, Understandings Effectuated Through Exchanges of Notes Between the United States of America and Other Governments Regarding the Application of Certain Treaties and Agreements: Belgium—May 4 and July 11, 1946; Bolivia—May 4 and June 10, 1946; Denmark—May 4 and September 10, 1946; Dominican Republic—May 4 and October 7, 1946; Egypt—May 4 and August 15, 1946; Ethiopia—May 4 and July 4, 1946; Norway—May 4 and July 8, 1946; Portugal—May 18 and August 26, 1946; Spain—May 4 and July 11, 1946; Yugoslavia—May 4 and October 3, 1946. Treaties and Other International Acts Series 1572. 22 pp. 10¢.
2765. International Military Tribunal for the Far East Established at Tokyo January 19, 1946. Treaties and Other International Acts Series 1589. 16 pp. 10¢.
2768. Regulation of Whaling, Protocol Between the United States of America and Other Governments Amending the International Agreement for the Regulation of Whaling Signed June 8, 1937, as Amended by the Protocol Signed June 24, 1938—Signed at London November 26, 1945; ratification advised by the Senate of the United States of America July 30, 1946; ratified by the President of the United States of America August 12, 1946; ratification of the United States of America deposited at London August 30, 1946; article

<sup>1</sup>Serial numbers which do not appear in this list have appeared previously or will appear in subsequent lists.



- 2, 3, 4, 6 (1), 6 (2), 7, and 8 proclaimed by the President of the United States of America February 10, 1947. *Treaties and Other International Acts Series 1597.* 8 pp. 5¢.
770. *Papers Relating to the Foreign Relations of the United States: The Paris Peace Conference, 1919.* Vol. X. 807 pp. \$2.75 (buckram).
771. *United Nations Educational, Scientific and Cultural Organization: Constitution Adopted by the United States of America and Other Governments—Concluded at London November 16, 1945; instrument of acceptance deposited by the United States of America September 30, 1946; effective November 4, 1946.* *Treaties and Other International Acts Series 1580.* 29 pp. 10¢.
773. *Report of the Delegation of the United States of America to the Third Inter-American Conference on Agriculture, Caracas, Venezuela, July 24–August 7, 1945. Including Final Act and Related Documents.* *Conference Series 94.* 178 pp. 40¢.
774. *Making the Peace Treaties, 1941–1947.* *European Series 24.* ix, 150 pp. 50¢.
775. *The International Control of Atomic Energy: Scientific Information Transmitted to the United Nations Atomic Energy Commission, December 15, 1946.* Vol. VII. Prepared in the Office of Mr. Bernard M. Baruch, United States Representative. *The United States and the United Nations Report Series 9.* ix, 30 pp. 15¢.
778. *The Department of State Bulletin Index, vol. XV, nos. 366–391, July 7–December 29, 1946.* 40 pp. Free.
782. *First Report of the Air Coordinating Committee, 1946.* 25 pp. 10¢.
788. *The Department of State Bulletin, vol. XVI, no. 404, March 30, 1947.* 44 pp. 15¢.
789. *Peace, Freedom, and World Trade. Address by the President.* *Commercial Policy Series 101.* 14 pp. 5¢.
790. *Diplomatic List, April 1947.* 182 pp. Subscription, \$2 a year; single copy 20¢.
791. *The Department of State Bulletin, vol. XVI, no. 405, April 6, 1947.* 36 pp. 15¢.
794. *American Policy in Occupied Areas.* 31 pp. 20¢.
795. *The Inauguration of the Trusteeship System of the United Nations.* *United States–United Nations Information Series 16.* 11 pp. 10¢.
796. *Report of the South Seas Conference. Article by Emil J. Sady.* *Far Eastern Series 21.* 7 pp. 10¢.
797. *Foreign Service List, January 1, 1947.* 177 pp. Subscription, 50¢ a year; single copy, 20¢.
798. *The Department of State Bulletin, vol. XVI, no. 406, April 13, 1947.* 44 pp. 15¢.
799. *Report to Congress on Foreign Surplus Disposal, April 1947. Submitted by the Office of the Foreign Liquidation Commissioner, Department of State.* 30 pp. 15¢.
800. *Tenth Report to Congress on Operations of UNRRA, as of December 31, 1946.* 41 pp. 15¢.
801. *Publications of the Department of State, January 1, 1945–January 1, 1947.* 35 pp. Free.
2802. *The Department of State Bulletin Supplement, vol. XVI, no. 409 A, May 4, 1947. Aid to Greece and Turkey: A Collection of State Papers.* 88 pp. 30¢.
2806. *Air Transport Services: Agreement Between the United States of America and India—Signed at New Delhi November 14, 1946; effective November 14, 1946; and exchange of notes of November 14, 1946.* *Treaties and Other International Acts Series 1586.* 14 pp. 10¢.
2810. *The Department of State Bulletin, vol. XVI, no. 407, April 20, 1947.* 44 pp. 15¢.
2811. *Toward World Economic and Social Advance: Fourth Session of the Economic and Social Council, February 28–March 29, 1947.* *United States–United Nations Information Series 17.* 13 pp. 5¢.
2813. *The Department of State Bulletin, vol. XVI, no. 408, April 27, 1947.* 52 pp. 15¢.
2814. *Foreign Consular Offices in the United States, April 1, 1947.* 51 pp. 15¢.
2818. *The Department of State Bulletin, vol. XVI, no. 409, May 4, 1947.* 44 pp. 15¢.
2819. *Recent Publications of the Department of State, May 1947.* 4 pp. Free.
2822. *Council of Foreign Ministers: The Moscow Meeting, March 10–April 24, 1947. Address by the Secretary of State.* *Conference Series 98.* 18 pp. 10¢.
2823. *The Establishment of the Commission for Conventional Armaments. Article by James M. Ludlow.* *United States–United Nations Information Series 19.* 11 pp. 10¢.
2824. *The Department of State Bulletin, vol. XVI, no. 410, May 11, 1947.* 44 pp. 15¢.
2825. *Diplomatic List, May 1947.* 183 pp. Subscription, \$2 a year; single copy, 20¢.
2826. *Food and Agriculture Organization of the United Nations. Part I: Report of the United States Delegation to the Preparatory Commission on World Food Proposals. Part II: Proposals for Amendment of FAO Constitution.* 26 pp. 10¢.
2827. *Report of the United States Delegate to the Inter-American Conference of Experts on Copyright.* *Conference Series 99.* 81 pp. 25¢.
2828. *The Department of State Bulletin, vol. XVI, no. 411, May 18, 1947.* 56 pp. 15¢.
2829. *World Stability Through the United Nations. Address by Warren R. Austin.* *United States–United Nations Information Series 20.* 18 pp. 5¢.
2830. *The Department of State Bulletin, vol. XVI, no. 412, May 25, 1947.* 40 pp. 15¢.
2834. *The Department of State Bulletin, vol. XVI, no. 413, June 1, 1947.* 36 pp. 15¢.
2837. *The Department of State Bulletin, vol. XVI, no. 414, June 8, 1947.* 56 pp. 15¢.
2841. *Diplomatic List, June 1947.* 184 pp. Subscription, \$2 a year; single copy, 20¢.
2843. *The Department of State Bulletin, vol. XVI, no. 415, June 15, 1947.* 40 pp. 15¢.
2846. *National Commission News, vol. 1, no. 1, June 15, 1947.* 8 pp. Not available for public purchase.
2853. *The Department of State Bulletin, vol. XVI, no. 415, June 22, 1947.* 72 pp. 15¢.

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<sup>1</sup> For contents from Jan. 5 to Mar. 30, 1947, see BULLETIN of Apr. 13, 1947, p. 679.

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